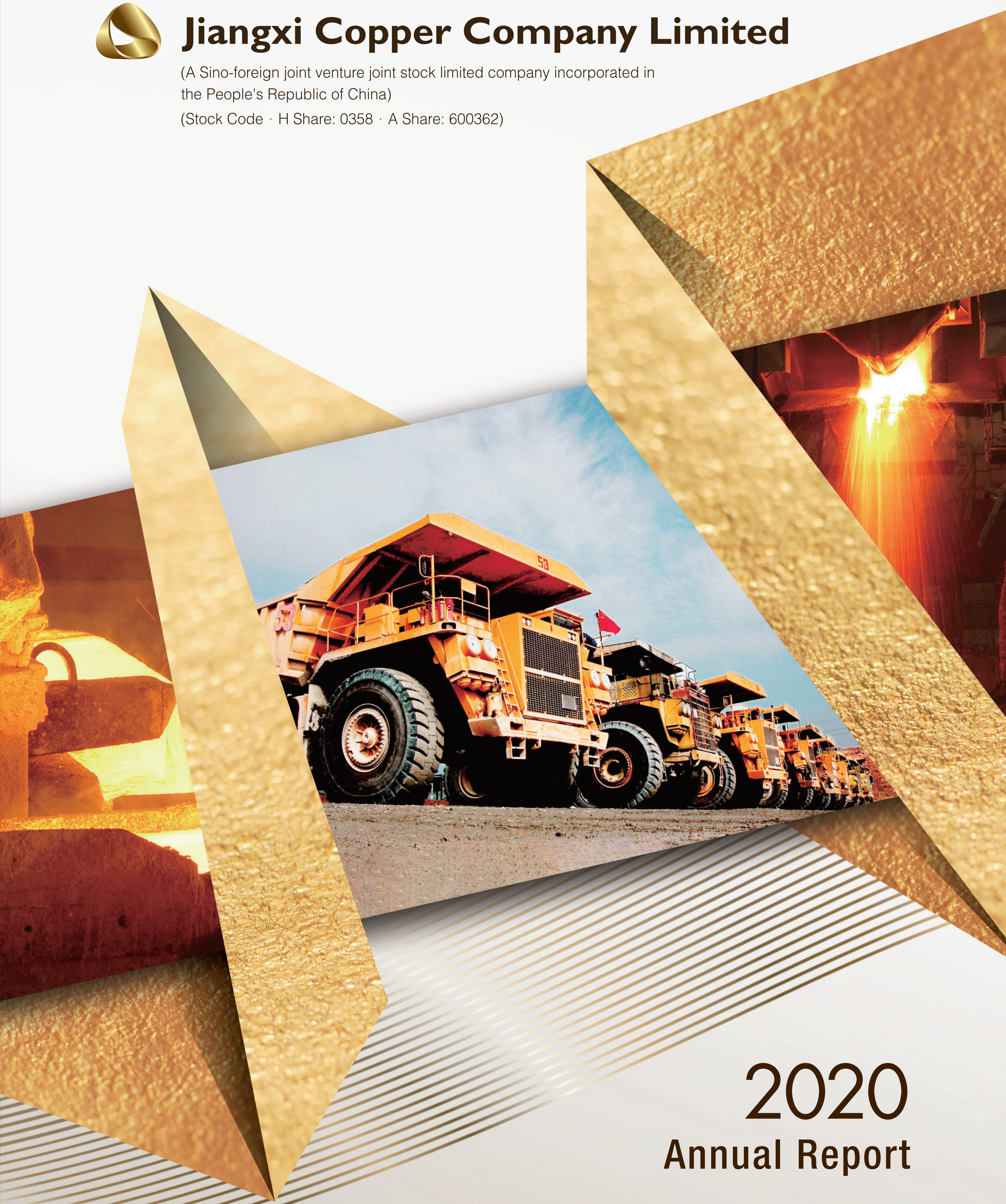
Jiangxi Copper Company Limited

(A Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code · H Share: 0358 · A Share: 600362)



2020
Annual Report

Important Notice

I. The board of directors (the "**Board**") and the supervisory committee of the Company (the "**Supervisory Committee**") and its directors (the "**Directors**"), supervisors (the "**Supervisors**") and senior management warrant the truthfulness, accuracy and completeness of the information contained in this annual report that there are no false representations, misleading statements contained herein or material omissions, and jointly and severally accept full responsibility.

II. All Directors of the Company attended the Board meeting in relation to, among others, the approval of results for the year ended 31 December 2020.

III. The consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 (the "**Reporting Period**") prepared in accordance with PRC Accounting Standards for Enterprises ("**PRC GAAP**") and International Financial Reporting Standards ("**IFRSs**") have been audited by Ernst & Young Hua Ming Certified Public Accountants LLP (domestic auditor) and Ernst & Young (overseas auditor) respectively with standard unqualified audit report issued.

IV. The person in charge of the Company, Mr. Zheng Gaoqing, the person in charge of accounting, Mr. Yu Tong, and Manager of Finance Department (accounting chief), Mr. Ai Fuhua, hereby warrant the truthfulness, accuracy and completeness of the financial report as set out in the annual report.

V. Proposal of profit distribution plan or transfer of capital reserve to share capital during the Reporting Period after consideration by the Board

The Board has recommended distributing to all shareholders a final dividend of RMB0.10 per share (inclusive of tax) for 2020. The Board did not recommend transfer of capital reserve to share capital or issue of bonus shares.

VI. Statement for the risks involved in the forward-looking statement

This annual report contains forward-looking statements that involve future plans and development strategies which do not constitute a commitment by the Company to its investors. Investors should be aware of the investment risks.

VII. There is no misappropriation of funds by the controlling shareholders and their connected parties for non-operation purpose.

VIII. There is no external guarantee made in violation of the required decision-making procedures.

IX. There is no more than half of the Directors could not guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Group.

X. Notice of principal risks

The Company has described the industrial risks in details in the report. Please refer to the content of "Discussion and analysis on the future development of the Company – Potential risks" under the section headed "Management Discussion and Analysis" of this report.

XI. Others

Unless otherwise specified, financial data involved in this report was extracted from audited consolidated financial statements of the Group prepared in accordance with the PRC GAAP.

CONTENTS

Definitions

Terms used herein, unless otherwise specified, shall have the same meanings ascribed to them as follow:

Definitions to the frequently-used terms:

Articles	means	the Articles of Association of Jiangxi Copper Company Limited
Audit Committee	means	the independent audit committee of the Company
Board	means	the board of Directors
cathode copper and refined copper	means	prefabricate thick plate with crude copper as anode and sheet with fine copper as cathode, and take the mixed solution of sulfuric acid and copper sulfate as electrolyte. After electrification, the copper is dissolved on the anode as copper ions, which then move from the anode to the cathode, pick up electrons and are deposited on the cathode
Chengmenshan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Jiujiang County, Jiujiang City, Jiangxi Province, and also refers to Chengmenshan Copper Mine of the Company
Company or Jiangxi Copper	means	Jiangxi Copper Company Limited
copper contained in copper concentrate	means	the amount of copper in copper concentrate
copper rod wire	means	rods and wires made of cathode copper by melting, casting and rolling
crude copper	means	the raw copper materials including blister copper and impure copper
CSRC	means	China Securities Regulatory Commission
Dexing Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to Dexing Copper Mine of the Company
Director(s)	means	the director(s) of the Company

Definitions

Fuye Group	means	Zhejiang Fuye Group Co., Ltd. (浙江富冶集團有限公司)
Group	means	the Company and its subsidiaries
Guixi Smelter	means	a copper smelter factory owned by the Company, located in Guixi City, Jiangxi province, and also refers to Guixi Smelter of the Company
Heding Copper	means	Zhejiang Jiangtong Fuye Heding Copper Co., Ltd. (浙江江銅富冶和鼎銅業有限公司)
Humon Smelting	means	Shandong Humon Smelting Co., Ltd.
IFRSs	means	International Financial Reporting Standards
JCC	means	Jiangxi Copper Corporation Limited (formerly known as Jiangxi Copper Corporation) and its subsidiaries, but excluding the Group
Listing Rules	means	the Rules Governing the Listing of Securities on the Stock Exchange
LME	means	London Metal Exchange
matte	means	copper produced by smelting of copper concentrate in a reverberatory furnace, electric furnace or flash furnace, with copper content of approximately 60%
Ministry of Finance	means	The Ministry of Finance of the People's Republic of China
PRC	means	The People's Republic of China
PRC GAAP	means	the PRC Accounting Standards for Enterprises
refined smelting	means	production and processing of crude copper to cathode copper
Reporting Period	means	the year ended 31 December 2020
rough smelting	means	production and processing of copper concentrate to crude copper
SSE	means	Shanghai Stock Exchange

Definitions

Stock Exchange	means	The Stock Exchange of Hong Kong Limited
sulfur concentrate	means	the sulfur product made from copper ores through mining, crushing, grinding-flotation, washing and other process as an important material for sulfuric acid production
sulfuric acid	means	one of the important products in the chemical industry, with molecular formula H2SO4, which is a colorless, tasteless oil-like liquid, a strong acid with high boiling point, difficult to volatilize, easily soluble in water and miscible with water in any ratio
Supervisor(s)	means	the supervisor(s) of the Company
Supervisory Committee	means	the supervisory committee of the Company
Wushan Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Ruichang City, Jiangxi Province, and also refers to Wushan Copper Mine of the Company
Yinshan Mining	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Dexing City, Shangrao City, Jiangxi Province, and also refers to JCC Yinshan Mining of Company Limited
Yongping Copper Mine	means	one of the five mines under production located in Jiangxi Province owned by the Company, located in Qianshan County, Shangrao City, Jiangxi Province, and also refers to Yongping Copper Mine of the Company

In this annual report, the English names of certain PRC entities are translations of their Chinese versions, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese versions shall prevail.

Corporate Profile

I. CORPORATE INFORMATION

Name of the Company in Chinese	江西銅業股份有限公司
Chinese abbreviation	江西銅業
Name of the Company in English	Jiangxi Copper Company Limited
English abbreviation	JCCL
Legal representative	Zheng Gaoqing

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	(Chairman of the Board takes up the responsibilities of Secretary to the Board)	Lu Gaoming
Address	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Telephone	(86)791-82710118	(86)791-82710112
Facsimile	(86)791-82710114	(86)791-82710114
E-mail	jccl@jxcc.com	jccl@jxcc.com

III. BASIC INFORMATION

Registered address of the Company	15 Yejin Avenue, Guixi City, Jiangxi Province, the People's Republic of China
Postal code of the registered address of the Company	335424
Office address of the Company	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China
Postal code of the office address of the Company	330096
Website of the Company	http://www.jxcc.com
E-mail	jccl@jxcc.com

IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Media selected by the Company for information disclosure	Shanghai Securities News
Website designated by CSRC for publishing the annual report	www.sse.com.cn
Place for inspection of annual report	7666 Changdong Avenue, High-tech Development Zone, Nanchang, Jiangxi Province, the People's Republic of China

V. INFORMATION ON THE COMPANY'S SHARES

Securities' information of the Company			
Class of shares	**Stock Exchange of listing shares**	**Stock abbreviation**	**Stock code**
A Shares	Shanghai Stock Exchange	Jiangxi Copper	600362
H Shares	The Stock Exchange of Hong Kong Limited	Jiangxi Copper	358

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (Domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	Level 16, EY Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing
	Name of auditor as signatories	Yang Lei (楊磊), Lu Miao (陸苗)
Auditor appointed by the Company (Overseas)	Name	Ernst & Young
	Office address	22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Sponsor engaged by the Company to continuously perform its supervisory function during the Reporting Period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floors, China World Tower 2, No. 1 Jianguomenwai Avenue, Beijing
	Name of sponsor representatives as signatories	Long Liang (龍亮), Du Yiqing (杜禕清)
	Period of continuous performance	September 2008–December 2020

Summary of Accounting Data and Financial Indicators

I. SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST THREE YEARS

(I) Major accounting data (prepared in accordance with PRC GAAP)

Unit: Yuan Currency: RMB

Major accounting data	**2020**	2019	Increase/ decrease for the period over the same period last year (%)	2018
Revenue	**318,563,174,838**	240,360,335,134	32.54	215,289,866,760
Net profit attributable to shareholders of the Company	**2,320,394,755**	2,466,407,085	-5.92	2,447,475,745
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	**2,774,288,564**	2,228,726,884	24.48	1,388,677,009
Net cash flows from operating activities	**1,381,996,439**	8,252,296,414	-83.25	8,182,118,246

	End of 2020	End of 2019	Increase/ decrease at the end of the period over the end of the same period last year (%)	End of 2018
Net assets attributable to shareholders of the Company	**59,910,393,466**	52,745,619,575	13.58	49,766,311,772
Total assets	**140,881,552,897**	134,913,915,434	4.42	102,865,826,951

Summary of Accounting Data and Financial Indicators

(II) Major financial indicators (prepared in accordance with PRC GAAP)

Currency: RMB

Major financial indicator	2020	2019	Increase/ decrease for the period over the same period last year *(%)*	2018
Basic earnings per share *(RMB/share)*	**0.67**	0.71	-5.92	0.71
Diluted earnings per share *(RMB/share)*				
Basic earnings per share after non-recurring profit and loss items *(RMB/share)*	**0.80**	0.64	24.48	0.4
Rate of return on net assets (weighted average) *(%)*	**4.11**	4.81	Decreased by 0.70 percentage point	5.03
Rate of return on net assets after non-recurring profit and loss items (weighted average) *(%)*	**4.91**	4.35	Increased by 0.56 percentage point	2.85

II. DIFFERENCES IN ACCOUNTING DATA BETWEEN IFRSs AND PRC GAAP

Differences in net profit and net assets attributable to shareholders of the Company in the consolidated financial report prepared under IFRSs and those under PRC GAAP

Unit: Yuan Currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount for the period	Amount for the previous period	**As at the end of the period**	As at the beginning of the period
Under PRC GAAP	**2,320,394,755**	2,466,407,085	**59,910,393,466**	52,745,619,575
Adjustments to items and amounts under IFRSs:				
Unused safety production fees provided under the PRC GAAP during the period	**-92,690,499**	-28,418,709		
Under IFRSs	**2,227,704,256**	2,437,988,376	**59,910,393,466**	52,745,619,575

Description of the differences between domestic and overseas accounting standards:

The Group is required to extract safety fees in accordance with CaiQi [2012] No. 16 "Administrative Measures on the Extraction and Usage of Production Safety Fees of Enterprises" issued by the Ministry of Finance and the State Administration of Work Safety of the PRC. The safety fees are designated for enhancement and improvement of enterprise production safety conditions. The extracted safety fees are included in related products' costs or profit or loss for the current period, and are reflected separately in the "special reserve" under shareholders' equity. In using the extracted production safety fees, the cost of expenditure is directly offset against the special reserve. When the use of extracted production safety fees forms fixed assets, the expenditures which occur through the accumulation of ongoing construction items will be confirmed to become fixed assets when the safety projects reach their intended usable conditions after completion. Meanwhile, the costs of forming fixed assets are then offset against the special reserve while the same amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods. Under the IFRSs, the production safety fee is individually reflected in the restricted reserve of shareholders' equity in the form of profit distribution when it is extracted. When costs of expenditure within the prescribed scope of usage are incurred, such expenses are recorded in the current income statement as incurred. When capital expenditures are incurred, the amount is transferred to property, plant and equipment when the project is finished and is depreciated in accordance with the depreciation policy of the Company. Meanwhile, the actual usage amounts of, among other things, production safety fees of the current period, are carried over internally in shareholders' equity, and are offset against restricted reserve and increase the undistributed profit, to the limit that restricted reserve is offset to zero.

III. MAJOR QUARTERLY FINANCIAL DATA IN 2020 (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating revenue	56,206,439,242	90,778,963,118	80,297,559,585	91,280,212,893
Net profit attributable to shareholders of the Company	160,258,204	585,043,620	787,195,711	787,897,220
Net profit after non-recurring profit and loss items attributable to shareholders of the Company	-474,076,249	696,661,424	1,236,717,026	1,314,986,363
Net cash flows from operating activities	457,966,532	3,631,580,881	2,641,180,544	-5,348,731,518

IV. NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNT (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	2020 amount	2019 amount	2018 amount
Profit and loss from disposal of non-current asset	**-112,836,491**	-104,926,775	-68,102,958
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of enterprises and subject to a fixed amount or quantity under certain standard and in compliance with national policies	**142,904,812**	147,496,290	154,467,076
Net profit or loss from the beginning of period to the combination date of the subsidiary company generated from consolidation of enterprises under the same control	**/**	/	-49,943
Profit and loss from changes in the fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities, and investment gains from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments except for effective hedging businesses related to normal operation of the Company	**-932,775,106**	197,663,840	1,335,306,682
Reversion of provision for impairment of the receivables and contract assets under independent impairment test	**/**	17,420,056	170,858,913
Influence of one-time adjustment on current profits and losses according to requirements in the laws and regulations of tax and accounting	**/**	/	-24,881
Other non-operating income and expenses other than the above	**53,856,196**	75,044,677	28,052,070
Impact from interests of non-controlling shareholders	**264,327,591**	-457,983	-209,840,513
Impact from income tax	**130,629,189**	-94,559,904	-351,867,710
Total	**-453,893,809**	237,680,201	1,058,798,736

V. ITEMS MEASURED AT FAIR VALUE (PREPARED IN ACCORDANCE WITH PRC GAAP)

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit of the current period
1. Investment in held-for-trading equity instruments				
Equity investments	94,839,884	**153,533,258**	58,693,374	956,465
2. Investment in held-for-trading debt instruments				
Bond investment	115,697,198	**0**	-115,697,198	9,978,547
Investment in debt instruments	10,451,652,321	**4,300,400,672**	-6,151,251,649	411,430,585
3. Held-for-trading financial liabilities	-588,278,540	**0**	588,278,540	-74,774,216
4. Other non-current financial assets	1,872,173,634	**1,652,738,682**	-219,434,952	-247,115,101
5. Other equity instruments	8,774,154,936	**14,864,404,752**	6,090,249,816	5,281,096
6. Derivatives not designated as a hedging relationship				
Forward foreign exchange contracts	-47,970,008	**17,051,349**	65,021,357	186,750,889
Interest rate swaps contracts	-360,866	**-16,768,274**	-16,407,408	-16,407,409
Commodity option contracts	0	**-369,190**	-369,190	14,333,100
Commodity futures contracts	94,739,897	**-135,565,424**	-230,305,321	-1,322,618,825
7. Hedging instruments				
(1) Non-effective hedging derivative instruments				
Commodity futures contract				
Temporary pricing arrangement				
(2) Effective hedging derivative instruments				
Commodity futures contract	-1,392,887	**-17,254,789**	-15,861,902	-17,254,789
8. Items measured at fair value included in inventory	3,078,699,095	**6,159,716,148**	3,081,017,053	323,151,516
9. Provisional price arrangement	-117,478,025	**-426,978,829**	-309,500,804	-309,500,804
10. Financing of accounts receivable	2,593,968,796	**2,595,046,355**	1,077,559	–
Total	26,320,445,435	**29,145,954,710**	2,825,509,275	-1,035,788,946

Business Overview of the Company

I. PRINCIPAL BUSINESS, OPERATION MODE OF THE COMPANY AND INDUSTRY SITUATION DURING THE REPORTING PERIOD

(I) Principal business and operation model of the Company

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc., of which "Guiye", "JCC" and "HUMON-D" copper cathode (owned by Humon Smelting are registered products in the **LME**, and "JCC" gold and silver are registered products in the London Bullion Market Association.

The main assets owned and controlled by the Group include:

1.	A listed company:	Humon Smelting (stock code: 002237) is a company listed on the Shenzhen Stock Exchange. The Company holds 44.48% of the total share capital of Humon Smelting, and is the controlling shareholder of Humon Smelting. Humon Smelting is mainly engaged in the exploration, mining, dressing, smelting and chemical production of gold. It is a national key gold smelting enterprise with the annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver, and with the production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid.
2.	Four smelters under production:	Guixi Smelter, Jiangxi Copper (Qingyuan) Company Limited, JCC Hongyuan Copper Industry Co., Ltd. and Zhejiang Jiangtong Fuye Heding Copper Co., Ltd., among which Guixi Smelter is the largest scale and the technology advanced blister and copper concentrate smelter and refiner in the PRC.

3.	Five 100% owned mines under production:	Dexing Copper Mine (including copper factory mining area, Fujiawu mining area and Zhushahong mining area), Yongping Copper Mine, Chengmenshan Copper Mine (including Jinjiwo Silver-Copper Mine), Wushan Copper Mine and Yinshan Mining Company.
4.	Eight modern copper products processing plants:	Jiangxi Copper Products Company Limited, Jiangxi Copper (Guangzhou) Copper Production Company Limited, Jiangxi Copper – Yates Copper Foil Company Limited ("**Copper Company**"), Jiangxi Copper – Taiyi Special Electrical Materials Company Limited, Jiangxi Copper (Longchang) Precise Copper Pipe Company Limited, JCC Copper Products Company Limited, JCC Huabei (Tianjin) Copper Co., Ltd. and JCC Huadong (Zhejiang Copper) Co., Ltd..

1. Applications of main products of the Company are as follows:

Product	Use
Copper cathode	It is a basic raw material for industries such as electrical, electronics, light industry, machinery manufacturing, construction, transportation, and national defense
Copper rods and wires	For the production of copper cables and enameled wires
Gold	It is a hard currency, which can also be used as raw material for electrical appliances, machinery, military industry and decorative crafts
Sliver	It is a raw material for silver solder, electroplating, silver contacts, and decorative crafts
Sulfuric acid	It is a raw material for chemical and fertilizer, and can be used in industries such as metallurgy, food, medicine, fertilizer and rubber

2. Business model

(1) Procurement model

The Company's procurement of the main raw materials, copper concentrate, and production equipment for production are as follows:

Product	Procurement channel	Procurement method	Pricing method
Copper concentrate	Domestic and foreign procurement	Purchased uniformly by the trading business department of the Company, of which foreign procurement ratio was approximately 80%, and domestic procurement ratio was approximately 20%. Medium and long-term orders accounted for approximately 95–96%, and the rest were retail orders; medium and long-term orders accounted for approximately 70% of foreign procurement, and the rest were retail orders.	Foreign procurement was conducted with reference to the LME copper price, the LBMA gold and silver price, and TC/RC was deducted from the above metal price basis as procurement price. TC/RC was determined through negotiations between both parties; domestic procurement was conducted with reference to the copper price on the Shanghai Futures Exchange, and the corresponding processing fees were deducted or multiplied by the corresponding pricing coefficient on the basis of the average price or spot price of the SHFE.
Thick copper, coarse copper	Domestic and foreign procurement	Mainly purchased uniformly by the trading business department of the Company, of which foreign procurement ratio was approximately 35%, and domestic procurement ratio was approximately 65%. There was no long-term contract in domestic procurement; medium and long-term orders accounted for approximately 80% of foreign procurement, and the rest were retail orders.	
Production equipment	Domestic and foreign procurement	Purchased uniformly by the material and equipment department of the Company	Compare to the market price

(2) Sales model

Product	Method of sales	Major sales market
Copper cathode	The main consumer groups are users such as copper processing enterprises, including spot and futures trading, of which: direct sales are used for spot, and futures are traded through the centralized quotation system of Shanghai Futures Exchange	Mainly in Eastern China and Southern China, some products are exported to South Korea, Japan and Southeast Asia
Copper rods and wires	Enter into long-term contracts with relatively stable major customers	Mainly in Eastern China, Southern China, Northern China and Southwest China
Gold	National unified acquisition or direct trading on the Shanghai Gold Exchange	
Sliver	Export and domestic sales, domestic sales are mainly sold to domestic industrial enterprises of electronics, electroplating, electrical alloys, silver nitrate, machinery, military, jewelleries and other industries by direct sales	Mainly export to Hong Kong, Eastern and Southern China domestically
Sulfuric acid	Enter into long-term contracts with relatively stable major customers, and supply and sell in installments	Mainly in Eastern China, Central China, Southern China, Southwest China and other regions

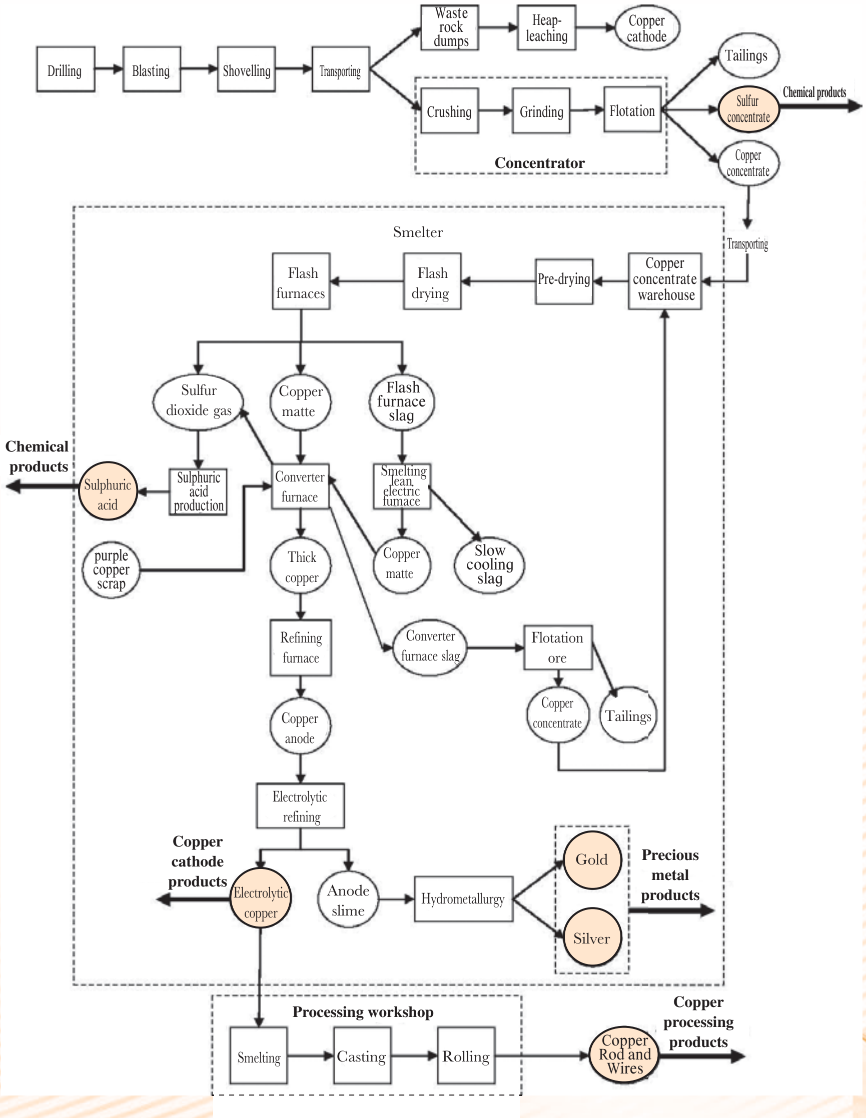
(3) Production model

At present, there are two main smelting methods of copper in the world: pyrometallurgical smelting and wet smelting. Pyrometallurgical smelting is to produce copper cathode by melting smelting and electrolytic refining, which is generally suitable for high-grade copper sulfide ore; wet smelting is generally suitable for low-grade copper oxide, which is lower in cost, but has great restrictions on the grade and type of ore, and has higher impurity content. The Company mainly uses pyrometallurgical copper smelting, and adopts wet smelting for gold smelting.

Business Overview of the Company

The copper production process of the Company includes mining, beneficiation, smelting and copper processing, etc., major production process is as follows:

Figure: Major Production Process

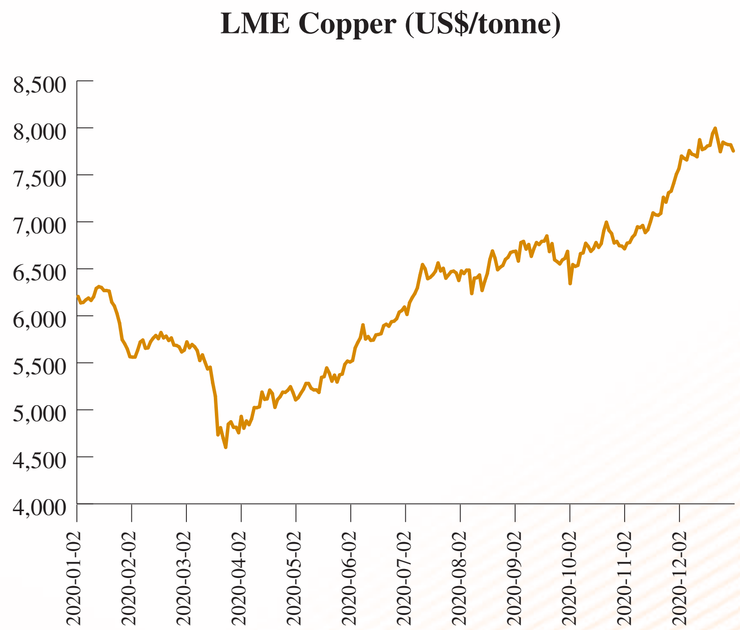


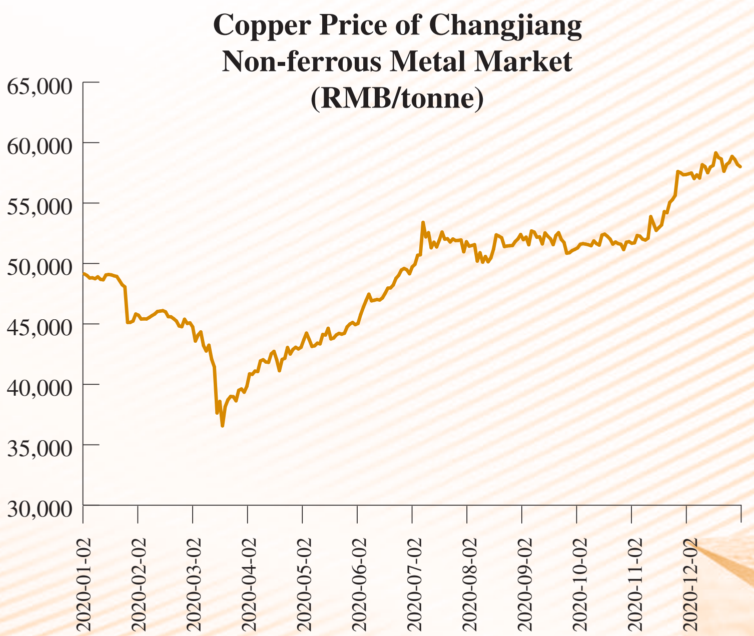
Business Overview of the Company

(II) Explanation on the industry

In 2020, copper prices fluctuated drastically. As the COVID-19 pandemic spread all over the world, there had been tremendous and far-reaching impact on the global economy and capital market. In the first quarter, in the face of the sudden COVID-19 outbreak, the global financial market plummeted, and the copper price once fell to a historical low of RMB35,170/tonne. In the second quarter, with the effective control of the pandemic domestically, and the government strongly supporting enterprises to resume work and production, China's economy was the first to recover in the second quarter, and domestic enterprises' demand for orders was strong. Overseas copper mines, on the other hand, were affected by the pandemic, and destocking of refined copper was obvious, thus copper prices kept a unilateral increase in the second quarter. Downstream demand weakened in the third quarter, and copper prices maintained a horizontal fluctuation in the third quarter due to inventory accumulation. In the fourth quarter, macro favorable factors accumulated. Under the stimulus policies of central banks of different countries, the global manufacturing industry continued to recover. The uncertainty of the international political situation declined following the presidential election in the United States. Research and development of global vaccine had made progress, igniting the enthusiasm of producing more copper in the market. In addition, with the spread of the pandemic, mining and transportation of copper mines in major copper producing areas such as Peru and Chile in South America had also been affected to different extents, causing market concerns about the interruption of copper supply. The supply of refined copper continued to be tight, and the inventory of refined copper dropped once again. Therefore, copper price rose to new record high since 2013. On 31 December 2020, the three-month closing price of copper on the LME was US$7,753.5/tonne, representing a year-on-year increase of 25.68%. In 2020, the average three-month copper price on the LME was US$6,199.1/tonne, representing a year-on-year increase of 2.95%.

For smelting, in 2020, the average quoted TC price of copper concentrate in China was US$54/tonne, decreased by US$10/tonne as compared with last year, representing a year-on-year decrease of 16%. Since the second quarter of 2020, TC had been falling, and the global copper concentrate supply remained tight. After August, TC remained at a historical low of approximately US$48, and pressure on the costs of smelters was obvious. In 2021, there will still exist great uncertainties on the improvement of overseas copper supply. In recent years, with the continuous expansion of crude refining capacity in China, the bargaining power of smelters has been weakened. In December 2020, China Smelter Purchase Team (CSPT) and Freeport-McMoRan agreed to set the TC/RCs contract price of copper concentrate in year 2021 at US$59.50/tonne and US$5.95 cents/pound, representing a 4% decrease as compared with US$62/tonne and US$6.2/pound in 2020, and remaining at a low level in the recent 11 years.





Source: Wind Information Co., Ltd.

II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

After years of development, the Company's main business covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metal, sulphuric chemistry as well as finance and trading fields. The Company has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. At the same time, the business scope covers many different areas, including trading and others, with the following core competitive advantages:

(I) Advantage of mine resources

The Company has the largest production base of copper, associated gold and silver and owns an important base of sulphuric chemistry in the PRC. The Company owns the copper mine of the largest scale currently in the PRC, namely Dexing Copper Mine and a number of copper mines under production. As at 31 December 2020, the Company had 100% ownership in the resource reserves of approximately 8.744 million tonnes of copper metal, 270.3 tonnes of gold, 8,326 tonnes of sliver, and 201,000 tonnes of molybdenum. Among the resources jointly controlled by the Company and other companies, metal resource reserves attributable to the Company (based on its equity percentage) were approximately 4,435,000 tonnes of copper and 52 tonnes of gold. Humon Smelting, a controlled subsidiary of the Company and its subsidiaries have 156.57 tonnes of proven gold reserves which have completed reserve registration.

(II) Advantage of business layout

(1) As the largest integrated copper production enterprises in the PRC, the Company has established its industrial chain with core businesses in mining, ore dressing, smelting and processing of gold and copper, as well as sulphuric chemistry and extraction and processing of precious and rare metals. The annual production of copper contained in copper concentrates of the Company is over 200,000 tonnes. Humon Smelting, a controlled subsidiary of the Company, has an annual production capacity of 50 tonnes of gold and 1,000 tonnes of silver and has production capacity of 0.25 million tonnes of electrolytic copper and 1.3 million tonnes of sulphuric acid.

(2) The Company is currently the largest copper processing manufacturer in the PRC, with over 1,400,000 tonnes of processed copper products produced per year.

(3) The production capacity of copper cathode of the Company is over 1,600,000 tonnes/year, and the Guixi Smelter of the Company is the copper smelter with the largest monomer smelting scale in the world.

(III) Advantage of technologies

The Company possesses industry-leading copper smelting and mine development technologies. Guixi Smelter is the first entity to introduce the entire flash smelting technology production line in the PRC with the overall production technology and key techno-economic indicators reaching advanced international standards. Dexing Copper Mine is the largest modernised copper mine with advanced technological level in the PRC, and is the first to introduce international software for the design, planning and optimization of mining and the global satellite positioning system for truck dispatching. Humon Smelting has strong smelting technology and is the first professional factory to process high lead complex gold concentrate by using oxygen bottom blowing smelting-reduction furnace pulverized coal bottom blowing direct reduction technology. It ranks first among the "PRC's Top Ten Gold Smelting Enterprises".

(IV) Advantage of cost

The Dexing Copper Mine owned by the Company is the largest copper open-pit mine in the PRC. The unit cash cost is below the industry average. At the same time, the advantages of mine resources further ensure the self-sufficiency rate of copper concentrates, which is conducive to the Company to smoothen the risk of fluctuations in raw material costs. Secondly, the Guixi Smelter owned by the Company is the world's largest monomer smelter, with leading technology and scale effect, giving the Company more cost advantage.

(V) Advantage of brand

The "Guiye" copper cathode owned by the Company has been successfully registered with the LME in one go in 1996, which is the first world-class brand of copper of the PRC. The Company is also the first enterprise in the PRC Copper industry which has the three main products – copper cathode, gold and silver products registered with the LME and the LBMA. The copper testing factory established based on the laboratory of Guiye Center of the Company is the only testing factory of copper cathode in the PRC recognized by the LME, which has completed testing of a number of copper cathode registered with the LME for various domestic enterprises. The Company has established good and long-term relationship with world-class mining enterprises.

(VI) Management and talent advantage

The management team of the Company has extensive experience and has participated actively in corporate governance for a long period and has professional and leading management level in the industry. In addition, the Company also reserves a large number of mining and smelting talents, with the expansion ability and advantages to replicate and operate same types of mining or smelting enterprise.

Management Discussion and Analysis

(The data in this section is extracted from the consolidated financial statements prepared under the PRC GAAP)

I. DISCUSSION AND ANALYSIS OF OPERATION

In 2020, in light of unprecedented challenges, the Company remained committed to innovation and reform, and strived to coordinate development, combat the pandemic and control flood, so as to implement “six stabilities” and “six guarantees”. This year, we have achieved remarkable results in all respects such as production and operation, industrial development, reform and innovation, risk prevention and control, etc.

I. The outputs of certain products hit new high

Products	**Production in 2020**	Production in 2019	Year-on-year increase *(%)*
Copper cathode *(ten thousand tonnes)*	**164.25**	155.63	5.54
Gold *(tonnes)*	**78.59**	50.16	56.68
Sliver *(tonnes)*	**1,126.39**	646.82	74.14
Sulphuric acid *(ten thousand tonnes)*	**511.96**	462.88	10.60
Copper processed products *(ten thousand tonnes)*	**147.12**	119.72	22.89
Copper contained in self-produced copper concentrate *(ten thousand tonnes)*	**20.86**	20.92	-0.29
Standard sulphuric concentrate *(ten thousand tonnes)*	**264.55**	275.13	-3.85
Conversion of molybdenum concentrate (45%) *(tonnes)*	**7,996**	7,780	2.78

II. Steady advancement of key projects

The Company has always taken the construction of major projects as an important channel to promote high-quality development, focused on both the present and long-term development, and made every effort to promote the implementation of a large number of projects with strong traction and driving force. In order to speed up the intelligent, informatisation and digital construction, and create a new digital economy platform; Jiangxi Tongrui Information Technology Co., Ltd. has been established and was included in the "Provincial One Hundred State-Owned Enterprises Reform Action". Jiangxi Copper Huabei (Tianjin) Company Limited has completed 220,000 tonnes of copper rod production line and put them into operation. At the same time, it has acquired TPCO Copper Industry Corp., Ltd. at reserve price, increasing the production capacity of copper products of the Company to 740,000 tonnes in Northern China. The Company's copper processing industrial layout in Northern China has become more stable and broad; the Company has increased its capital in Jiangxi Cable Co., Ltd., expanded and strengthened the cable sector, and improved the industrial layout and strategic expansion of the copper processing area. The 8,000 tonnes/year special enameled wires expansion project has reached the production standard, the production capacity of enameled wires has increased to 30,000 tonnes, and economies of scale have significantly improved; 5# tailings pond project of Detong has completed construction and put into use.

The construction of Kazakhstan tungsten mine project started on 11 November 2020; the first-class scientific research equipment newly configured in the new R&D center of JCC Research Institute has accelerated the installation; the construction of JCC Guoxing (Yantai) Copper Company Limited ("**JCC Guoxing**") of 180,000 tonnes copper smelting project started on 18 December 2020, and the first bonded ore mixing business has completed, becoming the first batch of copper concentrate mixing business pilot in the PRC; the wells of Yinshan 8,000 tonnes/day expansion production, the 15,000 tonnes/year lithium battery copper foil project of the Copper Company have been put into operation, and the progress of 10,000 tonnes/day expansion project of Wushan Copper Mine phase III has been accelerated.

III. Continuing increase investment in scientific research

Xinrui Technology Carbon Nano Materials Co., Ltd. was selected in the Demonstration Action of Science and Technology Reform of the State-owned Assets Supervision and Administration Commission of the State Council, and launched the innovation engine at full speed, implemented the “one enterprise, one policy” model, integrated and improved numerous enterprises such as JCC (Dexing) Casting Company Limited (“**JCC Casting**”) and JCC (Guixi) Metallurgical and Chemical Engineering Company Limited, and steadily implemented the market-oriented reform of JCC Casting. We continued to strengthen scientific research investment and guarantee, and completed 19 transformation projects such as research on improving the recovery rate of gold in copper by flash flotation machine and high nickel copper foil; the two intelligent projects of Guiye and Chengmenshan Copper Mine have been selected as the “Best Practice Cases of National Intelligent Enterprise Construction in 2020”; Humon Smelting has been approved to set up a national post doctoral research station, which provides a high-end platform for the innovation of JCC gold industry and nurturing of high-tech talent; the Company won four provincial science and technology progress awards in 2020, including one first prize. The Company obtained 95 authorized patents throughout the year, including 9 invention patents.

IV. Full implementation of the comprehensive risk control system

In 2020, the Company fully implemented the comprehensive risk control system with the target of “one system, two supervising management, three defense lines, four in one, five sectors and six improvements”, improved the risk management organization system; clarified the two-tier risk management and three defense lines, implemented the management of important risk checklist, and established the two-tier risk control performance evaluation mechanism. The functions of audit and operation supervision were brought into full play, forming a new risk management and control mechanism with full coverage, which can be monitored, analyzed, and responded to.

II. MAJOR BUSINESS OPERATIONS DURING THE REPORTING PERIOD

According to the audited 2020 consolidated financial statement prepared in accordance with the PRC GAAP, the consolidated operating income of the Group is RMB318,563,174,838 (2019: RMB240,360,335,134), representing an increase of RMB78,202,839,704 (or 32.54%) as compared with last year; achieving net profit attributable to shareholders of the Company of RMB2,320,394,755 (2019: RMB2,466,407,085), representing a decrease of RMB146,012,330 (or -5.92%) as compared with last year; basic earning per share is RMB0.67 (2019: RMB0.71).

(I) Analysis of principal businesses (prepared in accordance with PRC GAAP)

Table of movement analysis for the related items in profit statement and cash flow statement

Unit: Yuan Currency: RMB

Items	For the period	For the same period last year	Changes (%)
Operating revenue	**318,563,174,838**	240,360,335,134	32.54
Operating cost	**307,265,623,672**	231,167,687,946	32.92
Selling expenses	**269,426,993**	683,411,771	-60.58
Administrative expenses	**2,031,670,135**	1,796,559,189	13.09
Expenses on research and development	**661,241,915**	585,688,950	12.90
Finance costs	**1,220,287,119**	924,898,841	31.94
Net cash flow from operating activities	**1,381,996,439**	8,252,296,414	-83.25
Net cash flow from investing activities	**-303,157,268**	-11,943,948,968	-97.46
Net cash flow from financing activities	**-5,161,904,548**	11,572,714,955	-144.60
Expenditure on research and development	**3,959,194,000**	3,596,681,000	10.08
Impairment losses on assets	**855,311,791**	89,624,657	854.33
Credit impairment loss	**1,264,063,696**	1,475,160,931	-14.31
Other income	**142,904,812**	147,496,290	-3.11
Investment income	**-304,281,434**	706,950,535	-143.04
Changes in fair value	**-632,097,749**	-526,207,902	20.12
Non-operating income	**68,258,077**	91,241,390	-25.19
Non-operating expenses	**50,499,040**	128,286,045	-60.64

Explanation on changes in operating revenue: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in sales volume.

Explanation on changes in operating cost: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in sales volume.

Explanation on changes in selling expenses: It was mainly due to the reclassification of freight and storage fees to the cost of principal business.

Explanation on changes in finance costs: It was mainly due to the consolidation of Humon Smelting into the financial statements and the increase in the financing scale.

Explanation on changes in net cash flow from operating activities: It was mainly due to the increase in inventories.

Explanation on changes in net cash flow from investing activities: It was mainly due to the decrease in investment.

Explanation on changes in net cash flow from financing activities: It was mainly due to the increase in repayment of borrowings.

Explanation on changes in impairment losses on assets: It was mainly due to the write-down of inventories and the closure and suspension of JCC Dongtong Mining Company Limited, and the impairment of related assets.

Explanation on changes in investment income: It was mainly due to the offsetting losses against commodity futures contracts.

Explanation on changes in non-operating expenses: It was mainly due to the decrease in the losses of scrapping of fixed assets.

1. **Analysis on income and cost**

   (1) ***Principal businesses by industry, by product and by geographical location***

Unit: Yuan Currency: RMB

Principal businesses by industry						
By industry	Operating revenue	Operating cost	Gross profit margin *(%)*	Increase/ decrease in operating revenue over last year *(%)*	Increase/ decrease in operating cost over last year *(%)*	Increase/decrease in gross profit margin over last year *(%)*
Industry and other non-trading revenue	162,750,081,467	152,210,374,271	6.48	33.18	32.92	Increased by 0.18 percentage point
Trading revenue	154,775,307,794	154,099,102,997	0.44	31.86	32.95	Decreased by 0.82 percentage point
Others	1,037,785,577	956,146,404	7.87	34.16	27.81	Increased by 4.57 percentage points

Principal businesses by product						
By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in operating revenue over last year (%)	Increase/ decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Copper cathode	166,680,149,640	160,173,975,788	3.90	22.02	22.74	Decreased by 0.56 percentage point
Copper rods and wires	58,894,733,989	58,147,544,383	1.27	30.54	31.88	Decreased by 1.01 percentage points
Copper processed products	4,291,362,064	4,091,652,124	4.65	-7.00	-5.17	Decreased by 1.84 percentage points
Gold	33,712,409,567	31,455,902,970	6.69	107.92	109.26	Decreased by 0.60 percentage point
Silver	13,333,365,106	12,478,669,033	6.41	119.08	118.92	Increased by 0.07 percentage point
Chemical products (sulfuric acid and sulfur concentrate)	1,116,480,280	1,396,375,330	-25.07	-11.39	-7.31	Decreased by 5.51 percentage points
Scattered metals	2,344,533,743	2,138,626,859	8.78	299.69	360.25	Decreased by 12.00 percentage points
Copper concentrate, coarse copper and anode plates	13,504,106,491	12,996,753,583	3.76	-5.60	-8.45	Increased by 0.30 percentage points
Other non-ferrous metals	15,427,769,514	15,100,145,238	2.12	79.41	78.86	Increased by 3.00 percentage points
Other principal business	8,220,478,869	8,329,831,960	-1.33	32.51	34.95	Decreased by 1.83 percentage points
Other business income	1,037,785,577	956,146,404	7.87	34.16	27.81	Decreased by 0.29 percentage point

Principal businesses by geographical location						
By geographical location	Operating revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in operating revenue over last year (%)	Increase/ decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Mainland China	258,469,492,443	248,140,998,051	4.00	26.08	27.08	Decreased by 0.76 percentage point
Hong Kong	33,957,213,501	33,643,652,243	0.92	109.27	101.03	Increased by 4.06 percentage points
Other region	26,136,468,894	25,480,973,378	2.51	36.64	32.93	Increased by 2.73 percentage points
Total	318,563,174,838	307,265,623,672	3.55	32.54	32.92	Increased by 0.28 percentage point

Note: The scope of statistics of the "Principal businesses by product" stated above includes trading.

(2) Analysis table for production and sales

Major products	Unit	Production	Sales	Stock	Increase/ decrease in production as compared with last year (%)	Increase/ decrease in sales as compared with last year (%)	Increase/ decrease in stock as compared with last year (%)
Copper cathode	Ten thousand tonnes	164.25	191.06	1.22	5.53	44.97	-95.65
Gold	Tonne	78.59	77.21	2.09	53.20	51.93	194.37
Silver	Tonne	1,126.39	1,063.27	83.23	36.56	21.86	313.87
Sulphuric acid	Ten thousand tonnes	511.96	515.35	3.36	7.52	8.70	-50.22
Copper processing products	Ten thousand tonnes	147.12	151.54	4.18	22.89	34.21	-51.40

(3) *Analysis on costs*

Unit: Yuan Currency: RMB

By industry							
By industry	**Cost constituent**	**For the period**	**Share of total costs for the period** *(%)*	For the same period last year	Share of total costs for the same period last year *(%)*	Changes of the amount for the period compared to the same period last year *(%)*	**Explanation**
Manufacturing of non-ferrous metals	Raw materials	**142,132,116,948**	**46.40**	103,725,115,549	45.02	37.03	
	Energy power	**2,805,835,247**	**0.92**	2,754,260,151	1.20	1.87	
	Labour	**1,837,953,251**	**0.60**	1,768,387,660	0.77	3.93	
	Overheads	**5,434,468,826**	**1.77**	5,256,159,187	2.28	3.39	
	Sub-total	**152,210,374,271**	**49.69**	113,503,922,547	49.26	34.10	
Trading of non-ferrous metals and others		**154,099,102,997**	**50.31**	116,915,687,168	50.74	31.80	
	Total	**306,309,477,268**	**100.00**	230,419,609,715	100.00	32.94	

Unit: Yuan Currency: RMB

By Product	Cost constituent	For the period	Share of total costs for the period (%)	For the same period last year	Share of total costs for the same period last year (%)	Changes of the amount for the period compared to the same period last year (%)	Explanation
Copper products	Raw materials	**103,709,011,012**	**33.86**	89,017,081,676	38.63	16.50	
	Energy power	**1,985,395,639**	**0.65**	1,966,079,878	0.85	0.98	
	Labour	**1,314,928,116**	**0.43**	1,305,106,203	0.57	0.75	
	Overheads	**3,995,223,983**	**1.30**	3,976,011,652	1.73	0.48	
	Sub-total	**111,004,558,749**	**36.24**	96,264,279,409	41.78	15.31	
By-products of precious metals	Raw materials	**38,070,221,416**	**12.43**	14,252,083,038	6.19	167.12	
	Energy power	**352,204,568**	**0.11**	262,774,966	0.11	34.03	
	Labour	**264,131,521**	**0.09**	183,126,323	0.08	44.23	
	Overheads	**677,684,837**	**0.22**	570,568,418	0.25	18.77	
	Sub-total	**39,364,242,342**	**12.85**	15,268,552,745	6.63	157.81	
Chemical products	Raw materials	**238,354,234**	**0.08**	310,130,059	0.13	-23.14	
	Energy power	**375,403,930**	**0.12**	428,938,871	0.19	-12.48	
	Labour	**191,677,248**	**0.06**	220,268,414	0.10	-12.98	
	Overheads	**590,939,918**	**0.19**	547,089,106	0.24	8.02	
	Sub-total	**1,396,375,330**	**0.46**	1,506,426,450	0.65	-7.31	
Rare metals	Raw materials	**114,530,286**	**0.04**	145,820,776	0.06	-21.46	
	Energy power	**92,831,110**	**0.03**	96,466,436	0.04	-3.77	
	Labour	**67,216,366**	**0.02**	59,886,720	0.03	12.24	
	Overheads	**170,620,088**	**0.06**	162,490,011	0.07	5.00	
	Sub-total	**445,197,850**	**0.15**	464,663,943	0.20	-4.19	
Trading and others		**154,099,102,997**	**50.31**	116,915,687,168	50.74	31.80	
	Total	**306,309,477,268**	**100.00**	230,419,609,715	100.00	32.94	

Other explanation on analysis on cost.

Note: The scope of statistics of the "Principal businesses by product" stated above includes trading.

(4) ***Major sales customers and major suppliers***

Sales amount of the top five customers was RMB41,501.00 million, accounted for 13.03% of the total sales amount for the year, among which sales amount of related parties in the sales amount of the top five customers was RMB0, accounted for 0% of the total annual sales amount.

Procurement amount of the top five suppliers was RMB26,469.84 million, accounted for 8.61% of the total procurement amount for the year, among which procurement amount of related parties in the procurement amount of the top five suppliers was RMB0, accounted for 0% of the total annual procurement amount.

(5) ***Gearing Ratio***

As at 31 December 2020, the gearing ratio of the Group was 45%. The gearing ratio was calculated based on the difference between total assets and total liabilities.

2. Expenses

Unit: Yuan Currency: RMB

Item	For the period ended	For the same period last year	Increase/ (decrease) over the same period last year *(%)*
Selling expenses	**269,426,993**	683,411,711	-60.58
Administrative expenses	**2,031,670,135**	1,796,559,189	13.09
Finance expenses	**1,220,287,119**	924,898,841	31.94

3. Research and Development ("R&D") contribution

(1) R&D contribution table

Unit: 0'000 Yuan Currency: RMB

Expensed R&D investment for the current period	373,849.5
Capitalised R&D investment for the current period	22,069.9
Total R&D investment	395,919.4
Percentage of the total R&D investment in operating income *(%)*	1.24
Number of R&D personnel of the Company	4,932
Percentage of R&D personnel in total amount of employees of the Company *(%)*	19.86
Proportion of capitalization R&D investment *(%)*	5.57

(2) Explanation

In 2020, the Group carried out a series of R&D projects in "mining, mineral processing, smelting, copper processing, new materials" and other aspects in light of the medium and long-term development strategy and in combination with the actual production and operation, focused on new technologies such as copper and copper alloy new products, continuously improved the intelligence level of mines and smelting, strengthened the prevention and control level of safety and environmental protection, and facilitated cost reduction and efficiency.

During the Reporting Period, the "research and development and application of new generation large and super large 680m^3 flotation equipment" submitted by the Group won the first prize of the China Non-ferrous Metals Industrial Science Technology Award, the "direct vegetation technology and application of ecological restoration of heavy metal mining wasteland" won the first prize of the Guangdong Provincial Science and Technology Progress Award, the "key technology and industrialization of copper anode slime associated rare and precious metals collaborative green extraction" won the first prize of the Jiangxi Provincial Science and Technology Progress Award, the "research and development of seamless inner grooved copper tube with large helix angle" won the second prize of the Jiangxi Provincial Science and Technology Progress Award, the "key technology integration innovation and industrial application of green high performance surface treatment of electrolytic copper foil" won the second prize of the Jiangxi Provincial Science and Technology Progress Award, the "optimization and control and the industrial application of grinding grading process" won the third prize of the Jiangxi Provincial Science and Technology Progress Award.

The Group will continue to facilitate comprehensive innovation with scientific and technological innovation as core, strengthen self-innovation ability, deepen the industry-college-institute cooperation, focus on copper processing, new materials, rare and precious metals and other aspects to carry out specialised research to create conditions for the Company's high-quality development.

4. **Cash Flow**

Unit: Yuan Currency: RMB

Item	For the year	For the same period last year	Changes (%)	Explanation
Net cash flow from operating activities	**1,381,996,439**	8,252,296,414	-83.25	
Net cash flow from investing activities	**-303,157,268**	-11,943,948,968	-97.46	
Net cash flow from financing activities	**-5,161,904,548**	11,572,714,955	-144.60	

(II) Explanation on major changes in profit caused by non-principal business

Unit: Yuan Currency: RMB

Item	For the period	For the same period last year	Changes
Impairment losses on assets	**855,311,791**	89,624,657	765,687,134
Impairment losses on credit	**1,264,063,696**	1,475,160,931	-211,097,235
Gains on changes in fair value	**-632,097,749**	-526,207,902	-105,889,847
Returns on investment	**-304,281,434**	706,950,535	-1,011,231,969

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	As at the end of the period	Share of total assets as at the end of the period (%)	As at the end of the previous period	Share of total assets as at the end of the previous period (%)	Changes as at the end of the period over the end of the previous period (%)	Explanation
Held-for-trading financial assets	4,453,933,930	3.16	10,662,189,403	7.90	-58.23	*Note 1*
Derivatives financial assets	451,513,423	0.32	323,662,896	0.24	39.50	*Note 2*
Bills receivables	33,449,586	0.02	14,450,800	0.01	131.47	*Note 3*
Factoring receivables	716,573,991	0.51	1,130,055,974	0.84	-36.59	*Note 4*
Other equity investment	14,864,404,752	10.55	8,774,154,936	6.50	69.41	*Note 5*
Projects under construction	3,412,162,410	2.42	4,969,923,388	3.68	-31.34	*Note 6*
Right-of-use assets	604,082,154	0.43	404,445,431	0.30	49.36	*Note 7*
Intangible assets	8,026,908,699	5.70	4,152,655,144	3.08	93.30	*Note 8*
Exploration expenditure	636,111,092	0.45	959,260,133	0.71	-33.69	*Note 9*
Other non-current assets	4,600,831,480	3.27	1,115,790,392	0.83	312.34	*Note 10*
Held-for-trading financial liabilities	0	0.00	588,278,540	0.44	-100.00	*Note 11*
Derivative financial liabilities	1,031,398,580	0.73	396,124,785	0.29	160.37	*Note 12*
Contract liabilities	1,484,500,195	1.05	2,357,188,893	1.75	-37.02	*Note 13*
Taxes payable	1,223,777,131	0.87	890,821,042	0.66	37.38	*Note 14*
Non-current liabilities due within one year	697,295,559	0.49	3,619,984,095	2.68	-80.74	*Note 15*
Other current liabilities	3,058,563,443	2.17	1,934,853,645	1.43	58.08	*Note 16*
Long-term borrowings	14,076,716,799	9.99	5,257,859,073	3.90	167.73	*Note 17*
Lease liabilities	369,560,089	0.26	171,117,131	0.13	115.97	*Note 18*
Long-term payables	1,532,959,669	1.09	391,390,846	0.29	291.67	*Note 19*
Other non-current liabilities	88,000,000	0.06	194,167	0.00	45,221.81	*Note 20*
Other comprehensive income	7,171,494,723	5.09	1,350,346,937	1.00	431.09	*Note 21*

Note 1: As at the end of the Reporting Period, the held-for-trading financial assets of the Group amounted to RMB4,453.93 million, representing a decrease of RMB6,208.26 million (or -58.23%) as compared with the end of the period of last year, mainly attributable to the decrease in investments in debt instruments of the Group.

Note 2: As at the end of the Reporting Period, the derivative financial assets of the Group amounted to RMB451.51 million, representing an increase of RMB127.85 million (or 39.50%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit and loss of the futures business of the Group.

Note 3: As at the end of the Reporting Period, the bills receivables of the Group amounted to RMB33.45 million, representing an increase of RMB19 million (or 131.47%) as compared with the end of the period of last year, mainly attributable to the increase in commercial acceptance bills receivables of the Group.

Note 4: As at the end of the Reporting Period, the factoring receivables of the Group amounted to RMB716.57 million, representing a decrease of RMB413.48 million (or -36.59%) as compared with the end of the period of last year, mainly attributable to the cleared up of factoring and the provision of impairment of factoring receivables of the subsidiaries of the Group.

Note 5: As at the end of the Reporting Period, the other equity investments of the Group amounted to RMB14,864.40 million, representing an increase of RMB6,090.25 million (or 69.41%) as compared with the end of the period of last year, mainly attributable to the increase in the fair value of the investments in equity instruments held by the Group.

Note 6: As at the end of the Reporting Period, the projects under construction of the Group amounted to RMB3,412.16 million, representing a decrease of RMB1,557.58 million (or -31.34%) as compared with the end of the period of last year, mainly attributable to the transfer of projects under construction to fixed assets.

Note 7: As at the end of the Reporting Period, the right-of-use assets of the Group amounted to RMB604.08 million, representing an increase of RMB199.64 million (or 49.36%) as compared with the end of the period of last year, mainly attributable to the renewal of lease contracts by the subsidiaries of the Group.

Note 8: As at the end of the Reporting Period, the intangible assets of the Group amounted to RMB8,026.91 million, representing an increase of RMB3,874.25 million (or 93.30%) as compared with the end of the period of last year, mainly attributable to the increase in the payment of mining rights and the newly added mining rights of the subsidiaries of the Group.

Note 9: As at the end of the Reporting Period, the exploration expenditure of the Group amounted to RMB636.11 million, representing a decrease of RMB323.15 million (or -33.69%) as compared with the end of the period of last year, mainly attributable to the conversion of the exploration expenses of the Group to intangible assets.

Note 10: As at the end of the Reporting Period, other non-current assets of the Group amounted to RMB4,600.83 million, representing an increase of RMB3,485.04 million (or 312.34%) as compared with the end of the period of last year, mainly attributable to the fact that the Group held time deposits for more than one year.

Note 11: As at the end of the Reporting Period, the held-for-trading financial liabilities of the Group amounted to RMB0 million, representing a decrease of RMB588.28 million (or -100.00%) as compared with the end of the period of last year, mainly attributable to the expiration of the gold leasing business of Humon Smelting, a subsidiary of the Group.

Note 12: As at the end of the Reporting Period, the derivative financial liabilities of the Group amounted to RMB1,031.40 million, representing an increase of RMB635.27 million (or 160.37%) as compared with the end of the period of last year, mainly attributable to the fluctuating profit and loss of the futures business of the Group.

Note 13: As at the end of the Reporting Period, the contract liabilities of the Group amounted to RMB1,484.50 million, representing a decrease of RMB872.69 million (-37.02%) as compared with the end of the period of last year, mainly attributable to the decrease in the advances on sales of the Group.

Note 14: As at the end of the Reporting Period, the taxes payable of the Group amounted to RMB1,223.78 million, representing an increase of RMB332.96 million (or 37.38%) as compared with the end of the period of last year, mainly attributable to the increase in accumulated taxes payable by the Group this year.

Note 15: As at the end of the Reporting Period, the non-current liabilities due within one year of the Group amounted to RMB697.30 million, representing a decrease of RMB2,922.69 million (or -80.74%) as compared with the end of the period of last year, mainly attributable to the repayment of loans of the Group.

Note 16: As at the end of the Reporting Period, other current liabilities of the Group amounted to RMB3,058.56 million, representing an increase of RMB1,123.71 million (or 58.08%) as compared with the end of the period of last year, mainly attributable to the increase in deposits from JCC and its subsidiaries absorbed by JCC Finance Company Limited (the "**Finance Company**"), a subsidiary of the Group.

Note 17: As at the end of the Reporting Period, the long-term borrowings of the Group amounted to RMB14,076.72 million, representing an increase of RMB8,818.86 million (or 167.73%) as compared with the end of the period of last year, mainly attributable to the new long-term borrowings of the Group.

Note 18: As at the end of the Reporting Period, the lease liabilities of the Group amounted to RMB369.56 million, representing an increase of RMB198.44 million (or 115.97%) as compared with the end of the period of last year, mainly attributable to the increase in the leases of subsidiaries of the Group.

Note 19: As at the end of the Reporting Period, the long-term payables of the Group amounted to RMB1,532.96 million, representing an increase of RMB1,141.57 million (or 291.67%) as compared with the end of the period of last year, mainly attributable to the increase in the payment of mining rights and the newly added mining rights of the subsidiaries of the Group.

Note 20: As at the end of the Reporting Period, other non-current liabilities of the Group amounted to RMB88 million, representing an increase of RMB87.81 million (or 45,221.81%) as compared with the end of the period of last year, mainly attributable to the increase in the absorption of time deposits with maturity dates of more than one year from JCC by the Finance Company.

Note 21: As at the end of the Reporting Period, other comprehensive income of the Group amounted to RMB7,171.49 million, representing an increase of RMB5,821.15 million (or 431.09%) as compared with the end of the period of last year, mainly attributable to the increase in the fair value of the investments in equity instruments held by the Group.

2. Limitation of assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for the limitation
Cash and bank	10,574,091,800	They were the time deposits of the Group for the application of gold lease, issuance of letters of credit, bank guarantees and security deposits deposited by bank acceptance notes, the required statutory and excess reserves deposited with the People's Bank of China, environment rehabilitation deposits, and pledged to secure short-term borrowings and frozen bank deposits and interest receivables
Held-for-trading financial assets	3,119,708,012	Financial management products with book values of RMB2,913,434,427 were pledged as security deposits for issuance of letters of credit and bank acceptance notes; financial management products with book values of RMB206,273,585 were pledged to secure bank borrowings
Accounts receivable financing	645,135,066	Bank acceptance notes with book values of RMB271,150,000 were pledged to obtain the bank borrowings; bank acceptance notes with book values of RMB373,985,066 were pledged to issue bank acceptance notes
Other receivables	973,151,881	Futures deposits
Inventories	676,340,309	Inventories with book values of RMB148,354,323 were pledged to secure short-term borrowings; inventories with book values of RMB518,529,194 were placed as futures deposits; inventories with book values of RMB9,456,792 were held by the court due to litigation
Investment properties	159,500,508	Held by court due to litigations
Fixed assets	826,429,646	Fixed assets with book values of RMB511,695,150 were pledged to secure short-term bank borrowings; fixed assets with book values of RMB202,414,626 were pledged to secure long-term bank borrowings; fixed assets with book values of RMB112,319,870 were held by court due to litigations
Intangible assets	137,136,307	Intangible assets with book values of RMB103,299,042 were pledged to secure bank borrowings; land use right with book values of RMB33,837,265 were pledged to secure long-term bank borrowings
Other non-current assets	2,997,590,963	Time deposits with maturity dates of more than one year with book values of RMB1,626,508,946 were pledged to secure long-term bank borrowings of RMB1,546,000,000; time deposits with maturity dates of more than one year with book values of RMB950,797,222 were pledged to issue bank deposit acceptance notes; time deposits with maturity dates of more than one year with book values of RMB420,284,795 were pledged to issue bank guarantees

(IV) Analysis of industry operational information

Please refer to "Explanation on the industry" section for further details.

Analysis on business information of non-ferrous metal industry

1. *Cost of ore raw materials*

Unit: 0'000 Yuan Currency: RMB

Type and source of ore raw materials	Total cost of raw materials	Percentage (%)	The total cost of raw materials increased or decreased compared with the previous year (%)
Self-owned mines	210,989.61	5.33	-1.93
Domestic procurement	958,525.89	24.23	-35.71
Overseas procurement	2,786,736.04	70.44	6.41
Total	3,956,251.54	/	-8.52

Note: The aforesaid cost of self-produced raw materials represents the total mining and processing costs of Dexing Copper Mine, Yongping Copper Mine, Chengmenshan Copper Mine, Wushan Copper Mine and Yinshan Mining as internal mines of the Company.

2. Basic information of self-owned mines (if any).

Name of Mine	Major Products	Resources	Reserves	Grade	Annual output	Remaining years for mining of the resources	Validity period of permits/ mining rights
Dexing Copper Mine	Main mineral copper (industrial copper ore) metal volume/ ore volume	122,6771 (t)/ 272,489 (kt), of which: measured resources 177,140 (t)/ 38,517 (kt)	91.35 (ten thousand t)/ 20,478.16 (ten thousand t), of which: proved reserves 17.18 (ten thousand t)/3,736.15 (ten thousand t)	0.450%	Copper: 156,286 t; Gold: 3,826 kg; Silver: 29,858 kg.	14	29 July 2000 to 29 July 2027
	Main mineral copper (low grade copper ore)	528,099 (t)/ 211,560 (kt)	17.62 (ten thousand t)/ 7,058.11 (ten thousand t), of which: proved reserves 2.88 (ten thousand t)/ 1,180.78(ten thousand t t)	0.250%			
	Associated gold (industrial copper ore)	49,562 (kg)/ 261,717 (kt), of which: measured resources 0 (kg)/0 (kt)	–	0.189g/t			
	Associated gold (low grade copper ore)	11,636 (kg)/ 107,763 (kt)	–	0.108g/t			
	Associated silver (industrial copper ore)	303 (t)/272,463 (kt), of which: measured resources 0 (t)/0 (kt)	–	1.112g/t			
	Associated molybdenum (industrial copper ore)	20,016 (t)/ 190928 (kt), of which: measured resources 0 (t)/0 (kt)	–	0.0105%			
	Associated molybdenum (low grade copper ore)	3,988 (t)/ 369,36000 (kt)	–	0.0108%			

Name of Mine	Major Products	Resources	Reserves	Grade	Annual output	Remaining years for mining of the resources	Validity period of permits/ mining rights
Fujiawu mining area of Dexing Copper Mine	Main mineral copper (industrial copper ore)	1,726,517 (t)/ 346,067 (kt), of which: measured resources 0 (t)/ 0 (kt)	149.57 (ten thousand t)/ 29,858.06 (ten thousand t), of which: proved reserves 0 (ten thousand t)/0 (ten thousand t)	0.499%		30	10 October 2020 to 10 October 2050
	Main mineral copper (low grade copper ore)	87,600 (t)/ 36,219 (kt)	–	0.242%			
	Associated silver (industrial copper ore)	971.43 (t)/ 346,067 (kt), of which: measured resources 0 (t)/ 0 (kt)	–	2.80g/t			
	Associated silver (low grade copper ore)	123.51 (t)/ 36219 (kt)	–	3.41g/t			
	Associated molybdenum (industrial copper ore)	114,330 (t)/ 346,067 (kt), of which: measured resources 0 (t)/ 0 (kt)	–	0.033%			
	Associated molybdenum (low grade copper ore)	7,288 (t)/ 36,219 (kt)	–	0.020%			
Yongping Copper Mine	Main mineral copper metal volume/ ore volume	43.378 (ten thousand t)/ 7,352.5 (ten thousand t), of which: measured resources 8.551 (ten thousand t)/ 1,346.3 (ten thousand t)	8.051 (ten thousand t)/ 1,284 (ten thousand t), of which: proved reserves 0.785 (ten thousand t)/ 119.8 (ten thousand t)	0.59%	Copper: 15,087 t; Gold: 38 kg; Silver: 13,465 kg.	35	21 December 2018 to 21 November 2024
	Associated gold	8.52 (t)/ 7,240.9 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	0.118g/t			
	Associated silver	972 (t)/ 7,240.9 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	13.424g/t			

Name of Mine	Major Products	Resources	Reserves	Grade	Annual output	Remaining years for mining of the resources	Validity period of permits/ mining rights
Yinshan Mining	Main mineral copper metal volume/ore volume	87.483 (ten thousand t)/ 12,993.5 (ten thousand t), of which: measured resources 20.579 (ten thousand t)/ 2991.8 (ten thousand t)	19.179 (ten thousand t)/2,957.5 (ten thousand t), of which: proved reserves 7.861 (ten thousand t)/1153.7 (ten thousand t)	0.673%	Copper: 9,519 t; Gold: 1,019 kg; Silver: 9,146 kg	49	16 June 2020 to 31 December 2026
	Associated gold	99.387 (t)/ 14,086.9 (ten thousand t), of which: measured resources 23.458 (t)/ 3,208.6 (ten thousand t)	23.51 (t)/3,164.4 (ten thousand t), of which: proved reserves 9.783 (t)/1,256.8 (ten thousand t)	0.706g/t			
	Associated silver	1,497.19 (t)/ 14,086.9 (ten thousand t), of which: measured resources 331.57 (t)/ 3,208.6 (ten thousand t)	165.27 (t)/1,907.6 (ten thousand t), of which: proved reserves 128.4 (t)/1,256.8 (ten thousand t)	10.628g/t			
Wushan Copper Mine	Copper ore main mineral copper metal volume/ ore volume	131.843 (ten thousand t)/ 12,217.1 (ten thousand t), of which: measured resources 29.05 (ten thousand t)/ 2,535.3 (ten thousand t)	5.176 (ten thousand t)/ 420.3 (ten thousand t), of which: proved reserves 4.633 (ten thousand t)/ 375.7 (ten thousand t)	1.079%	Copper: 11,925 t; Gold: 146 kg; Silver: 7,547 kg	34	2020.6.16– 2026.12.31
	Associated gold	20.17 (t)/ 11,377.6 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	0.177g/t			
	Associated silver	1,224 (t)/ 11,430.4 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	10.708g/t			
Chengmenshan Copper Mine	Main mineral copper metal volume/ore volume	121.023 (ten thousand t)/ 17,445.9 (ten thousand t), of which: measured resources 2.736 (ten thousand t)/ 237.4 (ten thousand t)	56.098 (ten thousand t)/ 7,554 (ten thousand t), of which: proved reserves 2.624 (ten thousand t)/ 227.7 (ten thousand t)	0.694%	Copper: 14,006 t; Gold: 122 kg; Silver: 10,012 kg.	42	22 November 2017 to 22 November 2034
	Associated gold	49.94 (t)/ 16,000.1 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	0.312g/t			
	Associated silver	1,989 (t)/ 17,122.9 (ten thousand t), of which: measured resources 0 (t)/ 0 (ten thousand t)	–	11.616g/t			

Note: Among the above standards for resource reserves: Dexing Copper Mine, Yinshan Mining, Yongping Copper Mine and Chengmenshan Copper Mine are calculated at the cut-off grade of copper of 0.2% and the lowest industrial grade of 0.4%; and Wushan Copper Mine is calculated at the cut-off grade of copper of 0.3% and lowest industrial grade of 0.5%.

3 *Production capacity*

Company type	Product	Company name	Design production capacity	Actual production capacity	Capacity under construction	Production volume	Capacity utilization rate *(%)*	Comprehensive utilization rate of mineral resources *(%)*
Mines	Copper contained in self-produced copper concentrate (t)	Dexing Copper Mine	142,366	155,230	–	156,286	109.78	61.09
		Yongping Copper Mine	19,160	18,500	–	15,087	78.74	65.07
		Wushan Copper Mine	12,132	12,132	–	11,925	98.29	65.85
		Chengmenshan Copper Mine	14,450	14,200	–	14,006	96.93	62.18
		Yinshan Mining	6,811	6,811	12,941	9,519	139.75	71.00
Smelting	Cathode copper (ten thousand t)	Guixi Smelter	92	93	–	102.73	111.66	–
		Jiangxi Copper (Qingyuan) Company Limited	10	10	–	9.63	96.31	–
		Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	35	35	–	36.40	104	–
		Humon Smelting	20	25	–	15.42	61.68	–
		Jiangxi Copper Dexing Chemical Company Limited	0.2	0.2	–	0.58	29.1	–
	Gold (t)	Guixi Smelter	25	25	–	32.7	130.8	–
		Humon Smelting	50	50	–	47.90	95.80	–
	Sliver (t)	Guixi Smelter	510	510	–	332	65.1	–
		Humon Smelting	1,000	1,000	–	801.54	80.15	–
	Sulfuric acid (ten thousand t)	Guixi Smelter	185	185	–	194.26	105	–
		Jiangxi Copper Dexing Chemical Company Limited	50	50	–	47.39	94.78	–
		Jiangxi Jiangtong- Wengfu Chemical Engineering Company Limited	40	40	–	36.94	92.35	–
		Humon Smelting	130	130	–	124.63	95.87	–
		Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	80	80	–	114.33	142.9	–
Processing	copper processing (ten thousand t)	Jiangxi Copper Yates Copper Foil Company Limited	1.5	1.5	1.5	1.60	106.53	–
		Thermonamic Electronics (Jiangxi) Company Limited	300	300	–	113.21	37.74	–
		JCC Copper Products Company Limited	37	37	–	36.36	98.26	–
		JCC Copper Products Company Limited	4.2	4.2	–	5.20	123.78	–
		Jiangxi Copper (Guangzhou) Copper Production Company Limited	70	70	–	57.65	82.35	–
		Jiangtong Taiyi Special Electrical Materials Co., Ltd.	3	2.2	–	1.84	73	–
		Jiangxi Copper Longchang Precise Copper Pipe Company Limited	7.6	6	–	5.10	85.7	–
		Jiangxi Copper North China (Tianjin) Copper Co., Ltd.	22	28.5	–	26.89	94.36	–
		JCC Huadong (Zhejiang Copper) Co., Ltd.	15	15	–	12.49	83.24	–

Note: The unit of production capacity and output of Thermonamic Electronics (Jiangxi) Company Limited is "ten thousand/piece".

(V) Analysis of investment

General analysis of external investment in equity

Unit: 0'000 Yuan Currency: RMB

Investment during the Reporting Period	329,304
Change in investment amount	-1,114,132
Investment during the same period last year	1,443,436
increase/decrease in investment *(%)*	-77.19

Name of investee	Principal activity	Share of interests in the investee *%*	Investment amount *(RMB0,000)*
1 JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)("**JCC Hongyuan**")	Non-ferrous metals calendering processing, metal materials manufacturing, common non-ferrous metals smelting, precious metals smelting	43	5,375
2 JCC (Yingtan) Trading Co., Ltd. (江西銅業(鷹潭)貿易有限公司)	Sale of non-ferrous metals, rare and precious metals, metal products and chemical products (except hazardous chemicals), import and export business and related technical consulting services of self-operating and agent goods and technologies, technical consulting and technical services of copper processing, and technical consulting and technical services of smelting	100	10,000

Name of investee	Principal activity	Share of interests in the investee %	Investment amount (RMB0,000)
3 Humon Smelting	Gold and silver smelting; production and sale of electrolytic copper, copper cathode, lead ingot, non-ferrous metal, rare precious metal and its products (excluding hazardous chemicals and national restricted and prohibited items); construction of hazardous chemical production equipment for internal metal smelting of enterprises (permitted content shall be subject to the safety review opinion of hazardous chemicals construction project); operation without storage facilities: sulfuric acid, sulfur dioxide, arsenic trioxide, oxygen (compressed), oxygen (liquefied), argon (liquefied), nitrogen (liquefied), hydrochloric Acid-3, 3' – dichlorobenzidine and arsenic (subject to the validity of the license); sale of chemical fertilizer; production and sale of ethionine ester and sodium mercaptoacetate; processing of iron dust (excluding mining); import and export business of goods and technology; warehousing business (excluding dangerous chemicals); transportation specially for general freight and goods (container), road transportation of dangerous goods (relevant transportation operating activities are forbidden without the approvals of the relevant departments of transportation and public security, etc.); manufacturing and processing of mining equipment (excluding special equipment); electrical appliances repair; motor vehicles maintenance; the following shall be produced and operated by each branch with the license and business license of the branch: gold mining, pyrite mining, and retail of finished oil.	44.48	250,446

Name of investee	Principal activity	Share of interests in the investee %	Investment amount (RMB0,000)
4 TPCO Copper Industry Cop., Ltd. (天津大無縫銅材有限公司)	Research, development, production and sale of copper products, as well as research, development, production and sale of stainless steel pipes, and provision of corresponding technical consulting and services, international trade of non-ferrous metals, agency bonded warehousing, commodity exhibition, and related consulting services of the above	91.59	22,500
5 Valuestone Global Resources Fund I LP (嘉石環球資源基金一期有限合夥)	Relevant equity and debt investment of mining companies	66.67	16,476
6 Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司) ("**Jiangxi Wantong**")	Comprehensive development and utilization of environmental protection building materials and tailings resources (excluding dangerous goods and restricted and prohibited business projects)	44.70	11,810
7 Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Mining investment	40.00	12,100
8 MCC-JCL Aynak Minerals Company Limited (中冶艾娜克礦業有限公司)	Mining investment	25.00	597

Note: The above-mentioned statistical caliber is based on the actual amount of capital contributed by the Group during the Reporting Period, which include capital contributions to non-wholly owned subsidiaries or newly established companies (including contributions by equity, debt, etc.), excluding the capital increase by the Company to wholly-owned subsidiaries established in previous years.

(1) *Significant equity interest investment*

According to the confirmation letter of the accepted application for share registration issued by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, on 4 November 2020, Humon Smelting conducted a non-public issuance of 237,614,400 shares to the Company, with the issuing price of RMB10.54 per share. The total amount was RMB2.50446 billion. Prior to the non-public issuance of shares of Humon Smelting, the Company was the controlling shareholder of Humon Smelting, and was holding 29.99% of equity interests of Humon Smelting. After this private placement, the Company held 44.48% of Humon Smelting.

(2) *Significant non-equity interest investment*

Not applicable

(3) *Financial assets measured at fair value*

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the period	Impact on the profit for the period
Held-for-trading financial assets	10,662,189,403	**4,453,933,930**	-6,208,255,473	422,365,597
Derivative financial assets	323,662,896	**451,513,423**	127,850,527	-326,755,593
Accounts receivable financing	2,593,968,796	**2,595,046,355**	1,077,559	
Other debt investments				
Other non-current financial assets	1,872,173,634	**1,652,738,682**	-219,434,952	-247,115,101
Held-for-trading financial liabilities	588,278,540		-588,278,540	-74,774,216
Derivative financial liabilities	396,124,785	**1,031,398,580**	635,273,795	-1,137,942,245
Fair value change of hedged items	3,078,699,095	**6,159,716,148**	3,081,017,053	323151516
Other equity instruments investments	8,774,154,936	**14,864,404,752**	6,090,249,816	5,281,096
Total	26,320,445,435	**29,145,954,710**	2,825,509,275	-1,035,788,946

(VI) Material disposal of assets and equity interests

Not applicable

(VII) Analysis of principal controlled subsidiaries and other companies with shareholding

(1) Production and operation of our principal controlled subsidiaries as of 31 December 2020

Unit: 0'000 Yuan Currency: RMB

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Humon Smelting	Exploration, mining, selection and smelting of gold and chemical production	114,801	44.48	1,788,241	747,839	3,605,311	35,944
Heding Copper	Production and sale of copper cathodes	128,000	40	729,716	225,718	1,769,070	40,819
JCC Finance Company Limited (江西銅業集團財務有限公司)	Provision of guarantee and deposits taking from and loans to member units	260,000	100	2,078,397	369,415	46,308	31,455
Jiangxi Copper Products Company Limited (江西銅業銅材有限公司)	Sale of processed copper materials	42,450	100	123,821	113,175	28,338	13,281
JCC Copper Products Company Limited (江西銅業集團銅材有限公司)	Processing and sale of hardware electric product	18,639	98.89	71,507	38,430	178,161	1,405
JCC Guixi Recycling Resources Company Limited (江西銅業集團(貴溪)再生資源有限公司)	Collection and sale of metal scrap	680	100	1,968	1,058	13,278	42
Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司)	Sale of copper products	226,000	100	88,435	-18,544	725	18,168
Jiangxi Copper Shanghai Trading Company Limited (上海江銅營銷有限公司)	Sale of copper products	75,000	100	199,432	-344,805	373,038	-68,078
Jiangxi Copper Beijing Trading Company Limited (北京江銅營銷有限公司)	Sale of copper products	26,100	100	23,055	-45,981	0	-5,876
JCC Yinshan Mining Company Limited (江西銅業集團銀山礦業有限責任公司)	Manufacture and sale of non-ferrous metals, rare metals and non-metals	23,000	100	358,756	126,324	90,618	5,339

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
JCC Dongtong Mining Company Limited (江西銅業集團東同礦業有限責任公司)	Manufacture and sale of non-ferrous metals, rare metals and non-metals	4,621	100	7,777	-61,812	8,267	-34,969
Jiangxi Copper – Yates Copper Foil Company Limited (江西省江銅– 耶茲銅箔有限公司)	Production and sale of electrolytic copper foil products	125,360	98.15	145,671	137,976	106,408	12,187
Jiangxi Copper Longchang Precise Copper Pipe Company Limited (江西江銅龍昌精密銅管有限公司)	Production of spiral tubes, externally finned copper tubes and other copper pipe products	89,053	92.04	149,517	49,982	241,670	−10,251
Jiangxi Copper-Taiyi Special Electrical Materials Company Limited (江西省江銅– 台意特種電工材料有限公司)	Design, production and sale of various copper wires, enameled wires and provision of aftersales repair and consulting services	USD1,680	70	63,706	12,240	88,240	386
Thermonamic Electronics (Jiangxi) Company Limited (江西納米克熱電電子股份有限公司)	Development and production of thermo-electronic semiconductors and appliances and provision of related services	7,000	95	8,346	7,608	2,901	523
JCC (Guixi) Metallurgical and Chemical Engineering Company Limited (江西銅業集團(貴溪)冶金化工工程有限公司)	Metallurgical chemistry, equipment manufacturing and maintenance	3,508	100	22,596	7,917	42,462	657
JCC (Guixi) New Metallurgical and Chemical Technologies Company Limited (江西銅業集團(貴溪)冶化新技術有限公司)	Copper smelting, development of new chemical technologies and new products	200	100	6,619	5,820	5,481	436
JCC (Guixi) Logistics Company Limited (江西銅業集團(貴溪)物流有限公司)	Provision of transportation services	4,000	100	22,981	16,171	22,845	490
JCC (Dexing) Casting Company Limited (江西銅業集團(德興)鑄造有限公司)	Production and sale of casting products; maintenance of mechanical and electrical equipment; installation and debugging of equipment	6,638	100	32,646	16,363	35,403	793

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
JCC (Dexing) Construction Company Limited (江西銅業集團(德興)建設有限公司)	Development and sales of building materials for various projects including mine projects	5,000	100	29,475	13,343	35,038	710
JCC Geology Exploration Company Limited (江西銅業集團地勘工程有限公司)	Geological investigation and survey and construction, engineering measurement	1,500	100	10,228	6,083	4,811	1,240
Jiangxi Jiangtong-Wengfu Chemical Engineering Company Limited (江西省江銅－甕福化工有限責任公司)	Sulphuric acid and its byproducts	18,150	70	21,132	19,837	10,404	560
Jiangxi Copper Corporation Drill Project Company Limited (江西銅業集團井巷工程有限公司)	General contracting for mining constructions	2,030	100	9,036	3,199	12,426	199
JCC (Ruichang) Casting Company Limited (江西銅業集團(瑞昌)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear resistant materials and products	260	100	1,523	566	3,773	40
JCC (Qianshan) Mineral Processing Pharmaceuticals Company Limited (江西銅業集團(鉛山)選礦藥劑有限公司)	Sale of mineral processing chemicals, fine chemicals and other industrial and domestic products	1,020	100	3,745	2,992	2,785	135
Jiangxi Copper Chengdu Trading Company Limited (成都江銅營銷有限公司)	Sale of copper products	6,000	100	44	-10,374	0	-752
Jiangxi Copper Construction Supervision Consulting Company Limited (江西銅業建設監理諮詢有限公司)	Construction	300	100	1,772	1,428	2,214	281
Jiangxi Copper (Guangzhou) Copper Production Company Limited (廣州江銅銅材有限公司)	Production of copper rods and wires and related products	80,000	100	652,502	97,243	3,187,579	3,329
Jiangxi Copper International Trade Company Limited (江銅國際貿易有限公司)	Trading of metal products	101,609	59.05	766,428	58,944	7,140,719	-25,486

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
Shanghai Jiangtong Investment Holdings Ltd. (上海江銅投資控股有限公司)	Industrial investment, investment management, domestic trade, corporate asset management, corporate operation management and exhibition services, etc.	27,254	100	25,946	22,789	1,158	-395
Jiangxi Copper Dexing Chemical Company Limited (江西銅業(德興) 化工有限公司)	Sulphuric acid and related by-products	37,582	100	53,415	45,307	18,580	1,194
Jiangxi Copper (Yugan) Casting Company Limited (江西銅業集團(餘干)鑄造有限公司)	Production and sales of cast iron grinding ball, machinery processing and manufacture and sales of wear-resistant materials and products	2,800	100	6,270	5,617	4,708	345
Jiangxi Copper (Qingyuan) Company Limited (江西銅業(清遠) 有限公司)	Manufacturing, processing and sales of anode sheets of copper cathode and non-ferrous metals	89,000	100	371,858	76,797	716,826	9,778
Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司)	Import-export business trade and settlement, offshore investment and financing, and cross-border RMB settlement	USD14,000	100	452,202	122,916	2,088,643	7,806
Jiangxi Copper Recycling Resources Company Limited (江西銅業再生資源有限公司)	Scrap of base metals and their articles	25,000	100	26,866	20,111	114,337	-3,308
Shangri La Bisidaji Mining Company Limited (香格里拉市必司大吉礦業有限公司)	Non-ferrous metal mining and dressing	500	51	0	-9,390	0	0
Jiangxi Copper International (Istanbul) Mining Investment Co., Ltd. (江銅國際(伊斯坦布爾)礦業投資股份公司)	Import and export trading of copper products	USD7,126	100	14,283	13,606	0	-2,484
Jiangxi Copper Technical Institution Co., Ltd. (江西銅業技術研究院有限公司)	Research and development etc.	4,500	100	5,272	4,584	3,238	12
Jiangxi Copper North China (Tianjin) Copper Co., Ltd (江銅華北(天津)銅業有限公司)	Production of copper rods and wires and the related products	64,020	51	252,580	67,386	1,213,039	43

Company name	Business nature	Registered capital	Shareholding percentage (%)	Total assets	Net assets	Operating revenue	Net profit
JCC Guoxing (Yantai) Copper Company Limited (江銅國興(煙台)銅業有限公司)	Production of copper sulfate, electrolytic copper and non-ferrous metals	50,000	65	61,252	48,334	9,869	–222
JCC Hongyuan Copper Industry Co., Ltd. (江銅宏源銅業有限公司)	Production and sale of electrolytic copper	25,000	43	77,203	24,352	0	-557
Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司)	Project investment, fund investment, investment management, investment advisory and economic information advisory	USD104,041	100	1,208,904	747,495	0	-1,141
Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd (江西銅業(深圳)國際投資控股有限公司)	Sales of cathode copper, anode plates and non-ferrous metals	166,200	100	826,240	162,739	8,120,674	3,668
PIM CUPRIC HOLDINGS LIMITED	Investment	799,982	100	1,483,587	1,480,318	0	941
JCC (Yingtan) Trading Co., Ltd. (江西銅業(鷹潭)貿易有限公司)	Sale of non-ferrous metals, rare metals and metal products	10,000	100	10,089	10,024	296,469	24

(2) Production and operation of our associates and joint ventures as of 31 December 2020.

Unit: 0'000 Yuan Currency: RMB

Name of investee	Business nature	Registered capital		Our shareholding	Total assets at the end of the year	Total liabilities at the end of the year	Net assets in aggregate at the end of the year	Total operating income for the year	Net profits for the year
		Currency	*0'000*	*(%)*	*0'000*	*0'000*	*0'000*	*0'000*	*0'000*
I. Joint Venture									
Jiangxi JCC-BIOTEQ Environmental Technologies Company Limited (江銅百泰環保科技有限公司)	Industrial waste water recycling and product sales	RMB	2,820	50	6,359	1,067	5,292	5,557	1,315
Nesko Metal Sanayi veTicaret Anonim$ Sirketi	Exploration and sales of copper products	TRY	7,076	48	18,086	2,454	15,632	12,936	734
Valuestone GP Ltd. (嘉石普通合夥人有限公司)	Investment company	USD	300	51	374		374		259
Jiaxin International Resources Investment Co., Ltd. (佳鑫國際資源投資有限公司)	Exploration and sales of tungsten ore and tungsten processing	HKD	1	49	156,731	16,048	140,683	0	–2,498
II. Associates									
Minmetals Jiangxi Copper Mining Investment Company Limited (五礦江銅礦業投資有限公司)	Investment company	RMB	566,550	40	450,237	53,717	396,520		1,358
MCC-JCL Aynak Minerals Company Limited (中冶江銅艾娜克礦業有限公司)	Exploration and sales of copper products	USD	280	25	40,616	266	40,350	0	0
BOCI Securities Co., Ltd. (中銀國際證券股份有限公司)	Securities brokerage and investment advisory	RMB	277,800	5.68	5,400,173	3,902,903	1,497,270	325,543	86,092

Name of investee	Business nature	Registered capital		Our shareholding	Total assets at the end of the year	Total liabilities at the end of the year	Net assets in aggregate at the end of the year	Total operating income for the year	Net profits for the year
		Currency	*0'000*	*(%)*	*0'000*	*0'000*	*0'000*	*0'000*	*0'000*
Jiangxi Tongrui Project Management Co., Ltd. (江西銅瑞項目管理有限公司)	Construction management	RMB	1,000	49	1,714	626	1,088	827	201
Valuestone Global Resources Fund I LP	Fund company	USD	10,664	67	7,037	4	7,033		1,156
Jiangxi Jinbei JCC Electric Cable Co., Ltd. (江西金杯江銅電纜有限公司)	Production and sale of copper products	RMB	2,000	20	473	94	379	2,963	23
Jiangxi JCC Petrochemical Co., Ltd. (江西江銅石化有限公司)	Sales of petroleum and petrochemical products	RMB	1,900	49	2,415	93	2,322	30,627	159
Ningbo Saimo Technology Co., Ltd. (寧波賽墨科技有限公司)	R&D of technology	RMB	1,158	38	1,634	701	933	22	-157
Jiangxi Wantong Environmental Protection Materials Co., Ltd. (江西萬銅環保材料有限公司)	Environmental protection building materials, comprehensive development and utilization of tailings resources, etc.	RMB	30,000	44.7	28,597	-695	29,292	633	-530
Jiangxi Dongchen Machinery Manufacturing Co., Ltd. (江西東辰機械製造有限公司)	Manufacturing of precision metal products and production of mechanical and electrical products	RMB	3,000	21	5,929	3,528	2,401	4,376	3

III. DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Landscape and trend of industry

1. International and domestic economic trends

As the pandemic in the PRC remained stable and controllable, the domestic employment will gradually improve in 2021, and endogenous driving forces such as private consumption and investment in the manufacturing sector will become the main engines to promote the growth of economic activities back to the level before the pandemic. The economic growth rate is expected to rebound greatly on the basis of the low base effect in 2020, and the overall PRC economy will walk out of the shadow of the pandemic and drive global recovery. With the mild recovery of inflation, stimulus policies will be introduced, monetary policies will return to steady and neutral and financial policies will resume. The International Monetary Fund (IMF) predicts that the global economy will increase 5.5% in 2021, and estimates that the strong economic recovery in the PRC will facilitate the easting of the global economy. It is predicted that the economy in the PRC will increase 8.1% in 2021.

With the significant progress in the research and production of COVID-19 vaccines and the driving force of China's economy, the global economy is expected to bottom out gradually. Demand recovers, systemic risks decrease, commodity prices increase, the prospects of global economic growth tends to be clear, international trade financing and international economic and trade activities resume, global financial cycle recovers, and the overall economy will be in the recovery stage in 2021.

2. Market situation of non-ferrous metal

In 2021, the US$1.9 trillion stimulus policy of the United States Federal Reserve System was introduced, and benefiting from easing liquidity and expected rising inflation, coupled with the shock of supply of resources, the mismatch between supply and demand was intensified, and commodity prices was expected to be supported. On the one hand, due to the large-scale applications of vaccines, major economies were in a period of strong recovery after the pandemic, and the manufacturing indices of many countries rebounded, which will continue to drive the consumption of non-ferrous metals such as copper in the short to medium term; on the other hand, with the strategic advancement of "carbon dioxide reaching the peak" and "carbon dioxide neutralisation" in the PRC, the actual and expected demand of copper will be significantly stronger in areas such as new infrastructure construction, photovoltaics, wind power, energy storage, new energy automobile and facilities. It is expected that the copper market will remain fluctuating at a high level.

(II) The development strategy of the Company

The Group adheres to the development strategy of "copper-based, strengthening non-ferrous metal, diversified development, global layout" principle, which promote high quality development of the Company by achieving "top-ranking in five aspects", namely, resource reserves, product influence, technological innovation, system and mechanism, and core indicators, and continuously enhance the ability of innovation and development. Our overall goal during the 14th Five-Year Plan is to continue to lead the development of China's copper industry, preliminary build a world-class enterprise with global competitiveness by the end of the 14th Five-Year Plan, and greatly enhance industry influence, brand reputation and core competitiveness of the Company.

(III) Business plan

2021 is the first year of the 14th Five-Year Plan. The main tasks of the Company are: to continuously improve the quality and service level of all types of products, to facilitate the optimization and upgrade of the industrial chain with solid reform and innovation in full force, and to achieve a good start in the 14th Five-Year Plan. The production and operation target plan in 2021 is to produce 208,900 tonnes of copper contained in copper concentrates, 1.73 million tonnes of copper cathode, 96 tonnes of gold, 1,279 tonnes of silver, 4.82 million tonnes of sulfuric acid and 1.73 million tonnes of copper processing materials, with capital expenditure (investment in fixed assets) of RMB4.82 billion **(this operation target does not represent the Company's production forecast in year 2020, whether it can be achieved depends on various factors such as macroeconomic environment and market demand, and there is great uncertainty. The Group will adjust its plan in due course in accordance with market changes)**.

Specific business strategies for 2021:

(1) Promoting the layout of high-quality industries. The Company will thoroughly implement the outline of the 14th Five-Year Plan, make every effort to facilitate the optimization of the traditional industries such as copper, gold and finance, highlight the innovation of science and technology and reform, focus on strengthening two strategic new industries, namely, new materials and equipment production, deeply grasp the innovation of business and operation, and refine the trade and sulfur chemical business which support the development of the industry in substance and the smelting production capacity of non-ferrous metal, so as to consolidate the foundation of the industry for the high-quality leap-forward development of the Company.

(2) Optimizing investment, mergers and acquisitions. The Company will closely monitor undervalued and quality companies and projects in the fields of mineral resources, high-end copper processing and copper-based new materials, seize the favorable window period for merger and acquisition investment and strive for breakthroughs. In particular, mineral resources as the fundamental and vitals of the sustainable development of the Company, the Company will provide new and strong support in terms of policy mechanism, team building and staffing.

(3) Paying attention to project construction with high quality. On the basis of ensuring that the pandemic is preventable and controllable, the Company will pay attention to the construction of key engineering projects. The Company will fully complete the annual construction tasks of key engineering projects, such as the 180,000 tonnes/year copper cathode smelting of JCC Guoxing and the 10,000 tonnes/day expansion engineering project of Wushan Copper Mine phase III, accelerate the realization of the production and standards of projects such as 8,000 tonnes/day in the wells of Yinshan, 100,000 tonnes/year of copper cathode in JCC Hongyuan, 15,000 tonnes/year of lithium battery copper foil in the Copper Company and Jiangxi Wantong, fully start the construction of the Mexican slag beneficiation project in the second quarter; and ensure the construction of the main body of the Kazakhstan tungsten project in May.

(4) Building the bottom line of security development. The Company will carry out the implementation of the significant risk control system, strictly implement risk management and control responsibilities, exert the supervisory role of the audit and the supervisory committee, strengthen the management of weak links in the supply chain, continue to improve risk management and control standard, risk research, judgment and disposal capabilities, and resolutely prevent and resolve various risks. The Company will continue to supervise customer credit of various business units, implement normalized management and control measures for exchange rate risks, strictly control business access risks, begin to establish a research and decision-making mechanism to deal with the complex and ever-changing international political and economic situation, further improve the international operating risk prevention and control system, and comprehensively and effectively prevent various political, legal, financial and environmental risks in the country where the project is located.

(5) Ensuring safety and environmental protection. The responsibility for safe production and ecological environmental protection is vitally important. The Company will implement the major decision-making and deployment of carbon dioxide reaching the peak and carbon dioxide neutralisation, and promote the high-quality leap-forward development of the Company with the best ecological environmental protection results and safe development trend. The Company will fully implement the responsibility system for production safety, ecological and environmental protection, improve the responsibility system of acknowledgment of responsibilities, performance of duties, supervision and accountability, comprehensively build "green factories, green mines", lay a solid foundation for green development, ensure pandemic prevention and control is as strict as before, and insist on not loosening thoughts, responsibilities, measures and work.

(IV) Potential risks

1. Production safety risks

During mining and dressing of ore and copper smelting, potential safety hazards may occur due to natural or human factors. Failure to detect and eliminate such factors in time will lead to major accidents, causing major property losses and environmental impact.

In response to the risk of production safety, the Group will, as always, formulate and strictly implement a series of preventive measures suitable for the actual situation of the Company in accordance with national laws and regulations on production safety, strengthen production operation procedures and accident emergency rescue plans to avoid or eliminate losses caused to the Company by natural or human factors. At the same time, the main property of the Company has been insured to reduce related risks and losses.

2. Exchange rate fluctuation risks

Imported copper raw materials purchased from international mining companies or sizable trading companies by the Group and overseas investments are generally settled in US dollars. With expansion of overseas business of the Group, the income and expenses of foreign currencies would be even more intense. Therefore, in case of more fluctuations in exchange rate or failure to effectively control the exchange rate fluctuation risks by the Group, it may result in exchange rate losses by the Group, which in turn may bring certain negative impact on the profitability of the Group.

In response to the exchange rate fluctuation risks, the Company will closely monitor the changes in national foreign exchange policies and exchange rate information, enhance its ability to determine changes and trends of the international exchange rate market to make prudent decisions, flexible responses, and scientific grasp on the timing of raw material imports, the choice of the country or region where the products are exported, and the exchange rate hedging, so as to avoid the above mentioned risks arising from exchange rate fluctuations.

3. **Risk from product price fluctuations**

The Group is the largest copper cathode producer in the PRC and one of the largest gold and silver producers in the PRC. The Group's product prices are mainly determined with reference to the prices of related products listed on the LME and the Shanghai Metal Exchange. Copper, gold and silver are important trading varieties in the international non-ferrous metal market and have their own pricing mechanism in international market. Due to the scarcity of resources of copper, gold and silver metals, the prices of copper, gold and silver metals are highly volatile, as they are affected by various factors, including global economy, the relationship between supply and demand, market expectations and speculations. Price fluctuations will affect the revenue and operating stability of the Company.

In order to minimize the impact of product price fluctuations on productions and operations, the Group intends to take the following measures to protect against risk from product price fluctuations: (1) closely monitor the trend of copper and gold prices in the international market, strengthen the analysis and research of various factors affecting the price trend of products, and take timely measures such as hedging to avoid risk from product price fluctuations; (2) the Group will take the world's leading copper mines and smelting companies as the benchmark, and actively adopt new processes and technologies while improving management and operation efficiency, further reducing costs and expenses to resist the risk from product price fluctuations; (3) strengthen financial management level, enhance fund management, and reasonably arrange the raw material procurement and product sales of the Company to reduce the risk of significant tie-up in working capital of the Company due to rising product prices; and (4) strengthen the management of inventory and work in progress products, reduce inventory to the greatest extent to keep inventory at a reasonable level and reduce capital occupation.

4. **Risk from changes in the market environment**

The risks to the Company from changes in the market environment come from three aspects: (1) the development and operation of the macro economy directly affects total consumption demand, and the demand for the products of the Company will also alter according to the changes in the macro economic cycle; (2) the demand from downstream market for products may change. For example, the market demand for copper products are mainly from consumption in the power, electrical, light industry, electronics, machinery manufacturing, transportation and architecture industries. The development level and growth rate during different periods are imbalanced, and the demand for copper is also different, which will have a cyclical impact on the future business development of the Company; (3) with the continuous improvement of research and production technology, the types and performance of relevant substitutes in the product application industry of the Company will continue to improve, which will have a direct impact on the product demand of the Company.

In response to the risk from changes in the market environment, the Company will closely grasp the trend of the macro economy, pay attention to changes in related downstream industries, and strengthen industry research in order to further improve product quality and reduce production costs following changes in the market environment and actively develop new products that are more adaptable to market needs, and minimize the adverse impact of changes in the market environment on the operations of the Company to the greatest extent.

5. **Environmental protection risk**

The Group is mainly engaged in the mining, smelting and processing of non-ferrous metals and rare metals. In compliance with a number of environmental protection laws and regulations concerning air, water quality, waste disposal, public health and safety, the Group shall obtain relevant environmental protection permits for its production and operation, and accept inspections by relevant national environmental protection departments. In recent years, the Group has invested a large amount of funding and technological efforts in the transformation of environmental protection equipment and production techniques, and worked on the treatment and discharge of pollutants in accordance with national environmental protection requirements. However, if the environmental protection department continues to raise the environmental protection standard in the future, adopt more extensive and strict pollution control measures, the Group's production and operation may be affected, leading to an increase in operating costs such as environmental protection expenses.

6. **Risk from uncertainties**

At the beginning of 2020, the COVID-19 swept through the world. Affected by the pandemic, many enterprises had delayed in the resumption of work and production, and many construction projects had been affected to some extent. At present, the pandemic in the PRC has been effectively controlled, but the oversea pandemic situation is still spreading, and the resulting uncertain risks still exist.

The Group conscientiously implemented the work arrangements of the CPC Central Committee, the State Council and the Jiangxi Provincial Government on resolutely winning the prevention and control of the COVID-19 pandemic, resolutely took the prevention and control of the pandemic as the most important task at present, and launched a series of anti-pandemic actions. At the same time, the Group will continue to pay close attention to the development of the pandemic and actively respond to the impact on areas such as the financial position and operating results of the Company possibly caused by the pandemic.

(V) Details of and reasons for the issues not disclosed by the Company in accordance with the standards due to inapplicability of standards or other special reasons such as involvement of state or commercial secrets

Not applicable

Report of the Board

I. PRINCIPAL BUSINESS

The principal business of the Group covers copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. It has established the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemistry in the PRC. The main products include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc., of which “Guiye”, “JCC” and “HUMON-D” copper cathode (owned by Humon Smelting) are registered products in the LME, and “JCC” gold and silver are registered products in the LBMA.

II. CHANGES IN SHARE CAPITAL

During the Reporting Period, there were no changes in the total number and capital structure of ordinary shares of the Company.

III. ISSUE AND LISTING OF SECURITIES

(I) Issue of securities as of the Reporting Period

Not applicable

(II) The total number of ordinary shares and changes in the shareholding structure of the Company and changes in the asset and liability structure of the Company

During the Reporting Period, the Company had no relevant changes.

(III) Existing internal staff shares

During the Reporting Period, the Company had no existing internal staff shares.

IV. BUSINESS OVERVIEW

(I) Business summary and analysis

Business and result analysis combining key financial performance indicators of the Group are set out in Summary of Accounting Data and Major Financial Indicators on pages 7 to 12, Business Overview of the Company on pages 13 to 21 and the Management Discussion and Analysis on pages 22 to 62 of this report.

(II) Environmental policies and performance

The Company always adheres to the concept of "green mountains and clear water are our invaluable assets" to build ecological civilization and practice a green low-carbon strategy so as to pay more attention to the impact of the production process on the environment and contribute corporate strength to green mountains and clear water. The Company strictly abides by the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other relevant laws and regulations, and formulates the Administrative Measures on the Ecological Environmental Protection (《公司生態環境保護管理辦法》), which stipulated corresponding regulations on the Company's industrial wastewater discharge. It is required to standardize the installation of sewage outlets, meet the discharge standards and meet the total volume control requirements, increase the reuse rate of industrial wastewater, and reduce the discharge of pollutants. At the same time, the Company has obtained ISO 14000 authentication certificate on the environmental management system. In 2020, the Company added 3 national green factories and 1 national green mine, and was successfully selected as the second batch of Demonstration Enterprises for Industrial Product Green Design by the MIIT. Copper concentrates, copper cathodes, electrical copper drawing stock were selected as green designs products (the fifth batch green manufacturing list of MIIT). In 2020, the total investment in environmental protection work of the Company was approximately RMB329 million.

The construction of environmental protection facilities has always been highly valued by the Company. Since 2015, Dexing Copper Mine has carried out ecological restoration on the Yangtaowu Waste Rock Yards, adopted comprehensive ecological treatment technologies such as in-situ restoration to treat the waste rock yards, achieved the stabilization of the slope and the integrity of the facilities for pollution removal and diversion, improved the pH value of the soil in the site to 5-7, and established a maintenance-free and non-degraded vegetation system, the vegetation coverage remained stable at above 90% and the plant diversity reached more than 20 species, which effectively controlled the water and soil erosion and greatly improved the regional ecological environment.

For further information including the environmental policies and social responsibilities of the Company, please refer to the content in "XV. Active Performance of Social Responsibility" under "Significant Events" of this report and the Company's "Environmental, Social and Governance Report" for the year 2020 to be separately issued pursuant to the relevant requirements of the Listing Rules for details.

(III) Compliance with relevant laws and regulations

The Group understands the importance of compliance with the requirements of regulations. The risks of not complying with relevant requirements may lead to material adverse effects. During the Reporting Period, the Company would strictly comply with applicable laws and regulations in various countries and regions as before, and update various terms in a timely manner. Legal Affairs Department of the Company will regularly organize and arrange internal study to ensure that the Company is in compliance with laws and regulations in its ordinary operations. If potential legal risks are found, the Legal Affairs Department of the Company will cooperate with Risk Control Department and carry out rectification in a timely manner.

Saved as disclosed in this report, the Group is also in compliance with relevant requirements of the Companies Ordinance in Hong Kong and the Company Law in the PRC, listing rules of the applicable stock exchanges and relevant provisions in the Securities and Futures Ordinance.

(IV) Significant relationship with stakeholders

Trust and support from stakeholders are closely related to the growth and success of the Company. Our stakeholders include employees, suppliers and customers:

1. Employees

The Company firmly implements “talent strategies” to provide employees with sound and safe working environment, and constantly optimize the remuneration and benefit system. Over the years, management teams and employees of the Company are stable.

2. Suppliers

Since the establishment of the Company, the product output has continuously increased exponentially, providing suppliers with rich business opportunities and forming strategic partnerships with various well-known domestic and foreign companies. The development of the Company has also promoted the prosperity of related industries. During the Reporting Period, the relationship between the Company and major suppliers was good and stable.

3. **Customers**

The Company abided by the business ethics of honesty and harmony, adhered to the business philosophy of "creating value with customers", and pursued customer relationships of mutual trust and mutual understanding, mutual benefit, and win-win cooperation. The Company required all employees to treat customers as themselves, emphasizing product quality and corporate reputation awareness, providing high-quality and qualified products to customers, effectively maintaining good customer relations, and focusing on after-sales services. During the Reporting Period, the relationship between the Company and major customers was good and stable.

(V) Major risks and uncertainties

Description of the potential risks which may be encountered by the Group is set out on pages 59 to 62 in the Management Discussion and Analysis of this report.

(VI) Significant matters after the Reporting Period

Not applicable

(VII) Future development

Future development of the business of the Group is set out on pages 56 to 62 in the Management Discussion and Analysis of this report.

V. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Number of shareholders

Total number of ordinary shareholders at the end of the Reporting Period	134,012
Total number of ordinary shareholders at the end of the previous month before the disclosure of the annual report	129,656
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0
Total number of shareholders of preference shares with voting rights restored at the end of last month before the disclosure of the annual report	0

(II) Particulars of shareholdings of the top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to lock-up) as of the end of the Reporting Period

Unit: Share

Name of shareholder (full name)	Increase/ decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage *(%)*	Number of shares held subject to lock-up	Pledged or frozen status: Share status	Pledged or frozen status: Number of shares	Nature of shareholder
JCC	63,097,000	1,513,936,110	43.72	0	Nil		State-owned legal person
HKSCC Nominees Limited ("**HKSCC**")	-62,428,520	1,074,644,922	31.03	0	Unknown		Unknown
China Securities Finance Corporation Limited	0	103,719,909	3.00	0	Nil		Unknown
Ping An Life Insurance Company of China, Ltd. – internal funds	36,940,709	36,940,709	1.07	0	Nil		Unknown
Hong Kong Securities Clearing Company Limited	1,910,168	33,982,343	0.98	0	Nil		Unknown
Central Huijin Asset Management Limited	0	31,843,800	0.92	0	Nil		State-owned legal person
Ping An Life Insurance Company of China, Ltd. – traditional-general insurance products	10,597,400	10,597,400	0.31	0	Nil		Unknown
Industrial and Commercial Bank of China Limited- Southern China Securities Index Shenwan Non-ferrous Metal Exchange Traded Fund	4,717,446	5,469,352	0.16	0	Nil		Unknown
Hong Wenhui	5,324,630	5,324,630	0.15	0	Nil		Unknown
Liu Ding	0	4,170,451	0.12	0	Nil		Unknown

Shareholdings of the top ten shareholders not subject to lock-up

Unit: Share

Name of shareholder	Number of tradable shares held not subject to lock-up	Class and number of shares: Class	Number
JCC	1,513,936,110	Ordinary shares denominated in RMB (A Shares)	1,205,479,110
		Overseas listed foreign shares (H Shares)	308,457,000
HKSCC	1,074,644,922	Overseas listed foreign share (H Shares)	1,074,644,922
China Securities Finance Corporation Limited	103,719,909	Ordinary shares denominated in RMB (A Shares)	103,719,909
Ping An Life Insurance Company of China, Ltd. – internal funds	36,940,709	Ordinary shares denominated in RMB (A Shares)	36,940,709
Hong Kong Securities Clearing Company Limited	33,982,343	Ordinary shares denominated in RMB (A Shares)	33,982,343
Central Huijin Asset Management Limited	31,843,800	Ordinary shares denominated in RMB (A Shares)	31,843,800
Ping An Life Insurance Company of China, Ltd. – traditional-general insurance products	10,597,400	Ordinary shares denominated in RMB (A Shares)	10,597,400
Industrial and Commercial Bank of China Limited – Southern China Securities Index Shenwan Non-ferrous Metal Exchange Traded Fund	5,469,352	Ordinary shares denominated in RMB (A Shares)	5,469,352
Hong Wenhui	5,324,630	Ordinary shares denominated in RMB (A Shares)	5,324,630
Liu Ding	4,170,451	Ordinary shares denominated in RMB (A Shares)	4,170,451
The explanation of the connected relationship or parties acting in concert among the aforesaid shareholders	Nil		
The explanation of the preferred shareholders with restored voting rights and their shareholding	Nil		

Notes: 1. HKSCC is a member of the Central Clearing and Settlement System, providing registration and custodial services for customers. HKSCC held a total of 1,074,644,922 H Shares of the Company in the capacity of nominee on behalf of a number of customers, representing approximately 31.03% of the total issued share capital of the Company.

2. The 308,457,000 H Shares held by JCC have been registered with HKSCC and were separately listed from the other shares held by HKSCC when disclosed in the table above. Taking into account the H Shares held by JCC, HKSCC held 1,383,101,922 shares as nominee, representing approximately 39.94% of the issued share capital of the Company.

3. During the Reporting Period, JCC increased its holdings of 63,097,000 H Shares in the secondary market of Hong Kong, accounting for 1.82% of the total share capital of the Company. As at 31 December 2020, shareholding ratio of JCC increased from 41.90% before the increase in shareholding to 43.72%.

Shareholdings of the top ten shareholders subject to lock-up and trading restrictions

Not applicable

Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares

Not applicable

(III) Interests and short positions of shareholders

As at 31 December 2020, the interests or short positions of the shareholders, other than Directors, Supervisors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance ("**SFO**") or otherwise as notified to the Company were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares *(Note 1)*	Approximate percentage of the number of the relevant class of shares *(%)*	Approximate percentage of total issued share capital *(%)*
JCC	A shares	Beneficial owner	1,205,479,110(L)	58.09(L)	34.81(L)
JCC *(Note 2)*	H shares	Beneficial owner	308,457,000(L)	22.23(L)	8.90(L)
Citigroup Inc.	H shares	*(Note 3)*	75,282,890(L)	5.42(L)	2.17(L)
			13,127,493(S)	0.94(S)	0.37(S)
			55,735,057(P)	4.01(P)	1.60(P)

Note 1: "L" means long positions in the shares; "S" means short positions in the shares; and "P" means shares available for lending in the shares.

Note 2: The 308,457,000 H shares held by JCC were registered with HKSCC.

Note 3: According to the corporate substantial shareholder notice filed by Citigroup Inc., on 31 December 2020, its interests and short position in H shares through various subsidiaries are held under the following capacities:

Capacity	Number of H Shares
Interests in a controlled corporation	16,032,076(L)
	13,127,493(S)
Approved lending agents	55,735,057(L)
Persons having a security interest in shares	3,515,757(L)

According to the notice, long position in 6,369,226 H shares and short position in 2,777,946 H shares are physically settled unlisted derivatives; and long position in 4,178,081 H shares and short position in 4,940,283 H shares are cash settled unlisted derivatives.

Save as disclosed above, pursuant to the register required to be kept under Section 336 of SFO or otherwise as notified to the Company, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2020.

VI. PARTICULARS OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

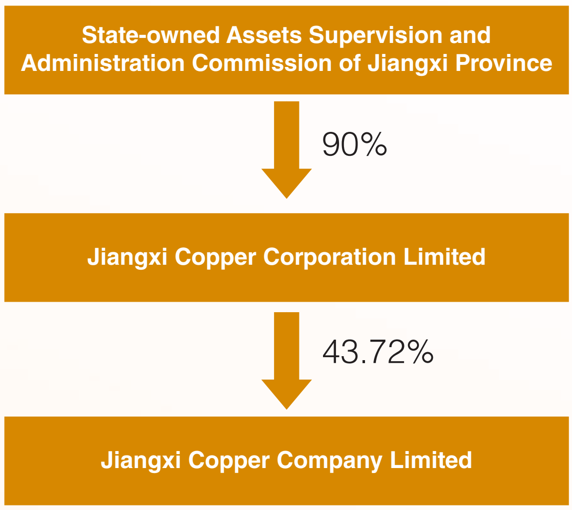
(I) Particulars of controlling shareholder

Name	Jiangxi Copper Corporation Limited
Person in charge or legal representative	Zheng Gaoqing
Establishment date	26 June 1979
Principal operations and businesses	Non-ferrous mines, non-metallic mines and products of refined and processed non-ferrous metals
Equity interests in other domestic and overseas listed companies controlled and held by the Company during the Reporting Period	1. Shenzhen Nanfang Jiangxi Copper Co., Ltd. holds 4,507,786 A shares of Guotai Junan (SSE stock code: 601211), accounting for 0.0005% of its total share capital; 2. Jiangxi Copper Corporation Qibaoshan Mine Co., Ltd. holds 550,000 A shares of Zhuye Group (SSE stock code: 600961), accounting for 0.104% of its total share capital; 3. Jiangxi Copper (Hong Kong) Capital Holdings Company Limited holds 2.47 million H shares of HTSC (stock code: HK06886), accounting for 0.03% of its total share capital.

1. Change in controlling shareholder during the Reporting Period

During the Reported Period, there was no change in controlling shareholder.

2. **Chart of the equity and controlling relationship between the Company and its controlling shareholder**



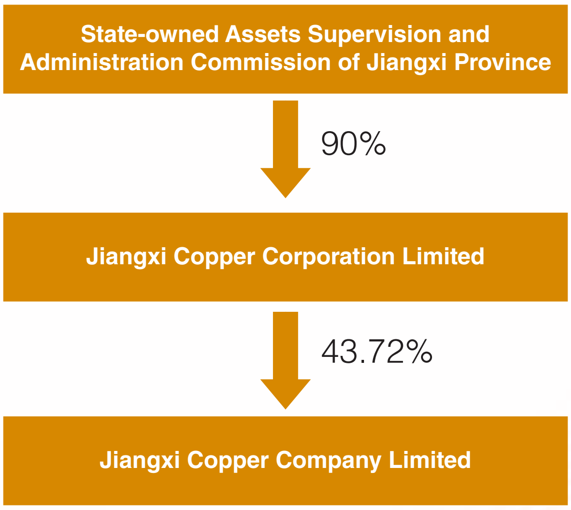
(II) Particulars of the de factor controller

Name	State-owned Assets Supervision and Administration Commission of Jiangxi Province
Person in charge or legal representative	Chen Deqin

1. **Change in de facto controller during the Reporting Period**

During the Reporting Period, there was no change in de facto controller.

2. Chart of the equity and controlling relationship between the Company and its de facto controller



VII. OTHER LEGAL PERSON SHAREHOLDERS WITH OVER 10% SHAREHOLDING

Saved as disclosed in this report, as at the end of the Reporting Period, the Company had no other legal person shareholders with over 10% of shareholding of the Company.

VIII. PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

IX. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company did not redeem any of its listed securities. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the Reporting Period.

X. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the PRC law which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

XI. PARTICULARS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

(I) Changes in shareholdings and remuneration

1. Changes in shareholdings of existing and resigned Directors, Supervisors and senior management during the Reporting Period

Unit: Share

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from connected parties of the Company
Zheng Gaoqing	Chairman	Male	55	9 September 2020		0	0	/	/	108.16	No
	General Manager			18 January 2019		0	0				No
	Executive Director			22 March 2019		0	0				
Wang Bo	Executive Director	Male	57	18 July 2016		0	0	/	/	108.16	No
Liu Fangyun	Executive Director	Male	55	10 June 2020		0	0	/	/	54.08	No
	Deputy General Manager			13 November 2019						41.37	No
Yu Tong	Chief financial officer	Male	49	28 August 2018		0	0	/	/	108.16	No
	Executive Director			15 January 2019		0	0	/	/		No
Gao Jian-min	Executive Director	Male	61	24 January 1997		0	0	/	/	20.00	No
Liang Qing	Executive Director	Male	67	12 June 2002		0	0	/	/	20.00	No
Liu Erh Fei	Independent non-executive Director	Male	62	18 July 2016		0	0	/	/	10.00	No
Tu Shutian	Independent non-executive Director	Male	59	12 January 2015		0	0	/	/	10.00	No
Liu Xike	Independent non-executive Director	Male	47	12 June 2018		0	0	/	/	10.00	No
Zhu Xingwen	Independent non-executive Director	Male	59	15 January 2019		0	0	/	/	10.00	No
Long Ziping	Chairman	Male	60	19 July 2017	9 September 2020	0	0	/	/	81.12	No
	Executive Director			14 June 2013	9 September 2020	0	0	/	/		No
Dong Jiahui	Executive Director	Male	58	12 June 2018	10 June 2020	0	0	/	/	0	No

Name	Position	Sex	Age	Commencement date of term of office	Termination date of term of office	Opening shares held	Closing shares held	Change in increase or decrease in shares during the year	Reasons for change	Total remuneration payable by the Company during the Reporting Period (before tax) *(RMB0'000)*	Whether received remuneration from connected parties of the Company
Guan Yongmin	Supervisor *(Chairman of the Supervisory Committee)*	Male	57	10 June 2020		0	0	/	/	38.83	No
Wu Donghua	Supervisor	Male	58	10 June 2020		0	0	/	/	38.83	No
Zhang Jianhua	Supervisor	Male	56	18 July 2016		0	0	/	/	77.66	No
Zeng Min	Supervisor	Male	56	21 March 2016		0	0	/	/	77.66	No
Zhang Kui	Supervisor	Male	58	29 March 2017		0	0	/	/	77.66	No
Liao Shengsen	Supervisor	Male	60	18 July 2016	10 June 2020	0	0	/	/	38.83	No
Hu Qingwen	Supervisor *(Chairman of the Supervisory Committee)*	Male	57	14 June 2013	10 June 2020	0	0	/	/	38.83	No
Liao Xingeng	Deputy General Manager	Male	54	18 July 2018		0	0	/	/	82.74	No
Chen Yunian	Deputy General Manager	Male	57	23 October 2017		0	0	/	/	82.74	No
Zhou Shaobing	Deputy General Manager	Male	50	23 October 2017	24 April 2020	0	0	/	/	27.58	No
Jiang Chunlin	Deputy General Manager	Male	51	25 August 2010	4 January 2020	0	0	/	/	0	No
Lin Jinliang	Chief Legal Officer	Male	56	30 August 2010		0	0	/	/	82.74	No
Tung Tat Chiu	Company Secretary	Male	59	24 January 1997		0	0	/	/	5.00	No
Total	/	/	/	/	/	/	/	/	/	1,250.15	/

Name	Major work experience
Zheng Gaoqing	Mr. Zheng is a current Party Committee Secretary, General Manager, executive Director and Chairman of the Company. He received postgraduate education with a master in business management. He had been a technician, assistant engineer and engineer of Jiangxi Optical Instrument Factory* (江西光學儀器廠); cadre of Shangrao County Economic Commission of Jiangxi Province* (江西上饒縣經委幹部), deputy director and deputy secretary of the Second Light Bureau* (二輕局), deputy director of the Power Supply Bureau* (供電局), concurrently as chairman and general manager of Jiangxi Hexing Electronics Co., Ltd.* (江西和興電子有限公司); the chairman and general manager of Jiangxi Shangrao Ganxing Electronics Co., Ltd.* (江西上饒贛興電子有限公司); Director of Shangrao County Handicraft Association* (上饒縣手工聯社), the general manager of Great Wall Enterprise Group* (長城企業集團); concurrently as Secretary to the Party Committee of Shangrao County Second Light General Corporation* (上饒縣二輕總公司); the deputy magistrate of the Poyang County Government of Jiangxi Province, member of the Standing Committee of the County Party Committee, executive deputy magistrate; the deputy secretary of the Municipal Party Committee and mayor of Dexing City; the secretary of the Wannian County Party Committee; member of the Party Committee and deputy manager of the State-owned Assets Supervision and Administration Commission of Jiangxi Province. He has extensive management experience.
Wang Bo	Mr. Wang, a current Deputy Party Committee Secretary and an executive Director of the Company, Senior Political Engineer with postgraduate educational level and extensive experience in administration management.
Liu Fangyun	Mr. Liu Fangyun, a current Party Committee member, an executive Director, and deputy general manager of the Company, graduated from Kunming Institute of Technology majoring in mining machinery, with a bachelor's degree and is a professor-level senior engineer. He was the head of the Chengmenshan Copper Mine, the head of the Dexing Copper Mine, the secretary to the Party committee, chairman and general manager of Jiangxi Province Minbao Investment Company Limited* (江西省民爆投資有限公司).

Name	Major work experience
Yu Tong	Mr. Yu, a current Party Committee member, an executive Director, and a Chief Financial Officer of the Company, graduated from Jianxi University of Finance and Economics majoring in statistic and finance. He obtained a master's degree in business administration from the MBA School of Jiangxi University of Finance and Economics. He used to be the financial auditing department manager of Jiangxi International Economic and Technical Cooperation Corporation of China, and the financial director of Jiangxi Dacheng State-owned Assets Management and Management Co., Ltd., with rich financial management experience.
Gao Jian-min	Mr. Gao Graduated from Tsinghua University, Mr. Gao has been a Director of the Company since its incorporation. He is currently the chairman of Silver Grant Group (HK) Limited, and was a director and the managing director of Silver Grant International Holdings Group Limited, a director of Qingling Motors Co., Ltd. and the vice chairman of Oshidori International Holdings Limited. He has extensive experience in finance, industrial investment and development.
Liang Qing	Mr. Liang has been appointed as a Director of the Company since June 2002. Mr. Liang was a director and general manager of China Minmetals H.K. (Holdings) Limited. He has abundant experience in international trading and investment.
Liu Erh Fei	Mr. Liu is currently the chief executive officer of Asia Investment Fund. Mr. Liu was a senior management in various financial institutions such as Goldman Sachs, Morgan Stanley, Salomon Smith Barney, Bank of America Merrill Lynch and was the co-founder of Cindat Asset Management Limited.

Name	Major work experience
Tu Shutian	Mr. Tu is currently a professor of the Department of Law, Nanchang University, an independent director of Chinese Universe Publishing and Media Co., Ltd.* (中文天地出版傳媒集團股份有限公司), Fujian Minfa Aluminium Inc.* (福建省閩發鋁業股份有限公司) and Advanced System Development Co., Ltd.* (同方鼎欣科技股份有限公司), a member and a member of Standing Committees of the 12th Chinese People's Political Consultative Conference of Jiangxi Province. He had served as the representative of the 9th People's Congress of Jiangxi Province, member of Committee for Internal and Judicial Affairs, the representative and member of the Standing Committee of the 10th, 11th and 12th People's Congress of Jiangxi Province and the member of Commission of Legislative Affairs of Jiangxi Province; a member of Legal Advisory Panel of Jiangxi Province, a standing director of China Litigation Law Society, the vice chairman of the Litigation Law Society of Jiangxi Province, an arbitrator of Nanchang Arbitration Committee, an independent director of Renhe Pharmacy Co., Ltd.; he has extensive expertise and experience in litigation law and civil and commercial law.
Liu Xike	Mr. Liu is currently the president of Jiangxi Financial Development Group Co., Ltd., graduated from Jiangxi University of Finance and Economics majoring in investment and Cheung Kong Graduate School of Business. He had worked for China Construction Bank, Zhonglei Certified Public Accountants, and China Securities Regulatory Commission Jiangxi Supervision Bureau.
Zhu Xingwen	Mr. Zhu is currently a professor, Ph. D., and a master's tutor at the School of Accounting, Jiangxi University of Finance and Economics. His main research interests are accounting theory and methods, auditing theory and practice. He especially acquired research outcome of a self-developed system in the aspect of accounting legal norms, accounting standards theory and accounting and auditing issues under the corporate governance framework.
Guan Yongmin	Mr. Guan is currently the assistant to the general manager of the Company and the head of Yongping Copper Mine. He graduated from Jiangxi Hydraulic College* (江西水利專科學校), majoring in hydraulic engineering and is a professor-level senior engineer. He has served as the head of Dexing Copper Mine and the head of Chengmenshan Copper Mine.

Name	Major work experience
Wu Donghua	Mr. Wu is currently the assistant to the general manager of the Company and the general manager of the Strategy and Investment Department of the Company. He graduated from Kunming Institute of Technology, majoring in smelting of non-ferrous metal in the metallurgy department and is a professor-level senior engineer. He has served as the secretary to the General Branch of the Party in the Smelting Workshop of Guixi Smelter* (貴溪熔煉車間黨總支) and the general manager of the Planning and Production Department.
Zhang Jianhua	Mr. Zhang is currently the general manager of the Operation Management Department of the Company. He was the deputy director of the Corporate Management Department of JCC and the vice general manager of the Planning and Development Department and the general manager of the Legal and Risk Control Department of the Company. Mr. Zhang has extensive experience in administrative and legal affairs.
Zeng Min	Mr. Zeng is currently a vice chairman of the Labor Union of the Company and a university graduate. He was a director of the Party Committee office of the Company and the secretary of the Party Committee of JCC Copper Materials Company Limited* (江銅銅材公司).
Zhang Kui	Mr. Zhang currently serves as the team leader of the inspection team of the Commission for Discipline Inspection of the Company. He graduated from Jiangxi Shangrao Teachers College* (江西上饒師範專科學校). He served as a deputy secretary to the Party Committee, a secretary to the Commission for Discipline Inspection and a secretary to the Party Committee of Yongping Copper Mine.
Liao Xingeng	Mr. Liao is currently a member of the Party Committee, the deputy general manager and the senior engineer of the Company. He graduated from the Southern Metallurgical College with a major in non-ferrous metallurgy. He is a master's graduate from Nanchang University with a major in business administration. He used to be the chairman of Jiangxi Rare Earth Metal Tungsten Industry Group Import and Export Co., Ltd. and an assistant to the general manager and the deputy general manager of Jiangxi Rare Metal Tungsten Holding Group Co., Ltd.; the deputy general manager of Jiangxi Tungsten Holding Group Co., Ltd., with rich experience in administrative management.

Name	Major work experience
Chen Yunian	Mr. Chen is currently a member of the Party Committee, the deputy general manager, and a senior engineer of the Company. He graduated from the Changsha School of Engineering majoring in smelting profession in July 1982 and graduated from the Central Party School (Open College), majoring in economics management in December 2003. He served as the deputy director of the electrolysis workshop, director of smelting workshop of Guixi Smelter, deputy director of Guixi Smelter, assistant to the general manager of the Company and director of Guixi Smelter of the Company.
Lin Jinliang	Mr. Lin served as the chief legal officer of the Company, was a senior economist and graduated from Central South University of Technology. Mr. Lin served as the Head of the Youth League, Labour and Payroll division, Diversified Business and Administration Section (多元化經營管理處) and Corporate Management Division of JCC. Mr. Lin has extensive experience in corporate management and legal practice.
Tung Tat Chiu, Michael	The Hong Kong legal adviser of the Company, a senior partner of Tung & Co., Mr. Tung holds a B.A. degree in law and accounting from the University of Manchester, the United Kingdom. He has approximately 30 years of experience as a practicing lawyer in Hong Kong. Mr. Tung joined the Company in January 1997. Mr. Tung is also the company secretary of a number of companies listed in Hong Kong.

2. Equity incentive of Directors or senior management during the Reporting Period

Not applicable

(II) Engagements of existing and resigned Directors, Supervisors and senior management during the Reporting Period

1. Positions held in shareholders' entities

Name	Name of shareholder's entity	Position held at the shareholder's entity	Appointment date	End of term
Zheng Gaoqing	JCC	Secretary to the Party Committee	31 August 2020	
		Chairman	21 September 2020	
Yu Tong	Jinrui Futures Shareholding Company	Chairman	3 August 2018	27 November 2020
	Shenzhen Finance Leasing Company Limited	Legal representative, Chairman	16 October 2018	27 November 2020
Liao Xingeng	Jiangxi Rare Earth Functional Materials Technology Co., Ltd.	Director, Vice chairman	20 November 2020	
	Guorui Kechuang Rare Earth Functional Materials Co., Ltd.	Director	20 November 2020	
Long Ziping	JCC	Chairman	11 September 2017	21 September 2020
Zhou Shaobing	Jiangxi Copper Engineering Magazine Co., Ltd.	Executive Director, Legal representative	16 January 2020	20 November 2020
	Jiangxi Rare Earth Functional Materials Technology Co., Ltd.	Director, Vice chairman	16 January 2020	20 November 2020
	Guorui Kechuang Rare Earth Functional Materials Co., Ltd.	Director	2 December 2019	20 November 2020
Liu Fangyun	Jiangxi Copper Engineering Magazine Co., Ltd.	Executive Director, Legal representative	20 November 2020	
Liao Shengsen	Jinrui Futures Shareholding Company	Director	3 September 2018	25 March 2020
	Jiangxi Tianyi Mining Co., Ltd.	Director	22 May 2018	25 March 2020
	Shenzhen Finance Leasing Company Limited	Director	16 October 2018	25 March 2020
	Jiangxi Copper (Beijing) International Investment Co., Ltd.	Director	22 May 2018	25 March 2020
	Jiangxi Runpeng Mining Development Co., Ltd.	Director	3 September 2018	25 March 2020
	JCC (Nanchang) Property Management Co., Ltd.	Supervisor	22 May 2018	25 March 2020
	JCC Copper Strip Company Limited	Supervisor	22 May 2018	25 March 2020
Explanation on positions held in shareholders' entities	None			

2. **Positions held in other entities**

Name	Name of other entities	Position held at other entities	Appointment date	End of term
Zheng Gaoqing	Jiangxi Copper (Hong Kong) Company Limited	Chairman	25 October 2019	
Zhou Shaobing	Thermonamic Electronics (Jiangxi) Company Limited	Director, Chairman, Legal representative	16 January 2020	28 December 2020
Zhang Jianhua	Humon Smelting	Director	2 July 2019	
	Jiangxi Copper International Trade Company Limited	Supervisor, Chairman of the Supervisory Committee	25 March 2020	
Wu Donghua	Jiaxin International Resources Investment Limited	Director	25 October 2019	
Chen Yunian	Jiangxi Copper (Hong Kong) Company Limited	Director	3 September 2018	1 February 2021
Yu Tong	Jiangxi Copper (Hong Kong) Company Limited	Director	3 September 2018	1 February 2021
	JCC Finance Company Limited	Director, Chairman	27 November 2020	
Lin Jinliang	Jiangxi Copper (Hong Kong) Company Limited	Director	3 September 2018	1 February 2021
Gao Jian-min	Silver Grant Group (HK) Limited	Chairman	2 September 2019	
Liu Erh Fei	Asia Investment Fund	Chief executive officer		
Tu Shutian	Nanchang University	Professor		
	Chinese Universe Publishing and Media Co., Ltd.	Independent Director	26 April 2019	
	Fujian Minfa Aluminium Inc	Independent Director	1 July 2020	
	Advanced System Development Co., Ltd.	Independent Director	25 December 2020	
Liu Xike	Jiangxi Financial Development Group Shareholding Co., Ltd.	President	1 June 2016	
Zhu Xingwen	The School of Accounting of the Jiangxi University of Finance and Economics.	Professor		
Liao Shengsen	China Ordnance Material Group Co., Ltd.	Director	22 May 2018	25 March 2020
	Jiangxi United Mining Co., Ltd.	Director	22 May 2018	25 March 2020
	China Nonferrous Metals International Mining Co., Ltd.	Director	22 May 2018	25 March 2020

Name	Name of other entities	Position held at other entities	Appointment date	End of term
	China Southern Rare Earth Group (中國南方稀土集團有限公司)	Director	22 May 2018	25 March 2020
	Jiangxi Gold Company Limited	Director	22 May 2018	25 March 2020
	BOC International China Co., Ltd.	Director	23 March 2018	25 March 2020
	Jiangxi Copper Huabei (Tianjin) Company Limited	Director	1 February 2019	25 March 2020
	JCC Huadong (Zhejiang Copper) Co., Ltd.	Director	8 May 2019	25 March 2020
	JCC Guoxing (Yantai) Copper Company Limited	Supervisor	1 February 2019	25 March 2020
	China Nerin Engineering Co., Ltd.	Supervisor	9 April 2018	25 March 2020
	Jiangxi Copper International Trade Company Limited	Chairman of the Supervisory Committee	22 May 2018	25 March 2020
	JCC Finance Company Limited	Chairman of the Supervisory Committee	17 October 2016	25 March 2020
	JCC Copper Products Company Limited	Supervisor	1 April 2019	25 March 2020
	JCC (Guixi) Recycling Company Limited	Supervisor	22 May 2018	25 March 2020
	Jiangxi Copper-Taiyi Special Electrical Materials Company Limited	Supervisor	22 May 2018	25 March 2020
	Jiangxi Copper Technical Institution Co., Ltd.	Supervisor	20 May 2014	25 March 2020
	Minmetals Jiangxi Copper Mining Investment Company Limited	Chairman of the Supervisory Committee	23 August 2016	25 March 2020
	Jiangxi Tongrui Project Management Co., Ltd.	Supervisor	14 December 2017	25 March 2020
	Jiangxi Xintong Land Co., Ltd.	Supervisor	16 October 2018	25 March 2020
Explanation on positions held in other entities	None			

(III) Remuneration of Directors, Supervisors and senior management

Determination procedures for remuneration of Directors, Supervisors and senior management	The Remuneration Committee of the Company formulates proposals on remuneration of Directors and senior management to be submitted to the Board for consideration and approval. The remuneration of Supervisors was considered by the Supervisory Committee.
Determination basis for remuneration of Directors, Supervisors and senior management	Remuneration for the Directors, Supervisors and senior management of the Company consist of basic salaries and performance salaries, among which performance salaries are calculated based on the basic salaries to be received by the Directors, Supervisors and senior management according to the assessment of their annual operating results. Remuneration for the independent Directors are determined according to the annual subsidies.
Particulars of remuneration payable to Directors, Supervisors and senior management	During the Reporting Period, remuneration of Directors, Supervisors and senior management were RMB12.5015 million.
Actual total payment of remuneration to Directors, Supervisors and senior management as at the end of the Reporting Period	During the Reporting Period, Directors, Supervisors and senior management received a total remuneration of RMB12.5015 million.

(IV) Change in Directors, Supervisors and senior management

Name	Position Held	Change	Reasons for the changes
Zheng Gaoqing	Chairman	Election	
Liu Fangyun	Executive Director	Election	
Long Ziping	Chairman	Resigned	Retirement
Dong Jiahui	Executive Director	Resigned	Other work engagement
Guan Yongmin	Supervisor	Election	
Wu Donghua	Supervisor	Election	
Liao Shengsen	Supervisor	Resigned	Retirement
Hu Qingwen	Supervisor	Resigned	Other work engagement
Zhou Shaobing	Deputy General Manager	Resigned	Other work engagement

(V) Explanation on punishments received from securities regulatory institutions in the recent three years

Not applicable

(VI) Directors' and Supervisors' service contracts

Pursuant to relevant provisions in the Articles of Association of the Company, the term of office of the Chairman and other Directors (including non-executive Directors) is three years commencing from the date of their appointment or re-election and they are eligible for re-election and reappointment. Under Company Law of the PRC, the term of office of Supervisors is also three years and they are eligible for re-election and re-appointment.

None of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

(VII) Interests of Directors, Supervisors and chief executive in shares

As at 31 December 2020, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporation as recorded in the register of the Company required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules.

(VIII) Directors' and Supervisors' interests in competing business or other interests in material transactions, arrangement or contracts

During the year and as at the date of this report, none of the Directors or Supervisors had any interest in any business which competes or may compete with the business of the Company.

Except for the transactions disclosed in Significant Events XIII. Material Connected Transactions in this annual report, as at 31 December 2020 or at any time during the reporting year, none of the Company or its subsidiaries entered into any transactions, arrangements or contracts of significance in which any of the Directors or Supervisors or an entity connected with them was either directly or indirectly materially interested.

(IX) Employee information of the parent and its major subsidiaries

1. Employee information

Number of in-service employees in the parent	13,228
Number of in-service employees in major subsidiaries	11,603
Total number of in-service employees	24,831
Number of employees retired for whom the parent and major subsidiaries shall be liable to expenses	0

Specialty composition

Category	Headcount
Production	18,111
Sales	205
Technician	3,228
Financial	442
Administration	2,845
Total	24,831

Education level

Category	Headcount
Post-secondary and above	9,546
Technical secondary and senior secondary	8,528
Junior secondary and below	6,757
Total	24,831

2. Remuneration policies

In 2020, the Company followed a position-performance payroll mechanism and based on the principle of division of labour, made remuneration distribution according to value of position, work techniques and results. Staff remuneration mainly including position salaries, performance salaries and other welfare, were released based on assessment with reference to the operating performance of the Company and management obligation, etc.

3. Training plan

In 2020, the Company followed the systems related to training management, such as the Management Measures of Education and Trainings (《公司教育培訓管理辦法》), Management Measures on Education and Training Budgets (《公司教育培訓經費管理辦法》), Management Measures on Training and Use of Outstanding Students (《公司優秀生培養與使用管理辦法》), Proposal for Evaluation on the Effectiveness of Training Implementation (《公司培訓實施效果評估方案》) and Proposal for Talent Self-nurturing and Evaluation Implementation (《公司技能人才自主培養與評價實施方案》). The Company continuously optimized the training management system, deepened the construction of self-nurturing and evaluation system for skilled talents, improved the talent cultivation mechanism and consolidated the foundation of three talent teams, namely management, technology and skills to continuously enhance the guarantee ability of talents for the sustainable development. In 2020, a total of 4,252 participants were trained by holding company-level training courses.

4. Outsourcing

Not applicable

XII. ORDINARY SHARE PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT CAPITAL RESERVES INTO SHARE CAPITAL

(I) The formulation, implementation or adjustment of the cash dividend policy

1. Profit distribution principle: the Company distributes dividend annually. It may distribute interim or special dividend provided that it is in compliance with the Articles of Association of the Company. The dividend distribution policy of the Company should maintain certain continuity and steadiness, and be in compliance with relevant regulatory requirements which may be amended from time to time.

2. Profit distribution method: the Company distributes dividend by ways of cash, shares or a combination of cash and shares, in which cash dividend will be a priority.

3. Profit distribution plan: Under the conditions that the Company's accumulated distributable profit is a positive figure, the profit and cash can satisfy normal production and operation of the Company, earnings per share of the year is above RMB0.01, and the cash dividend per share is above RMB0.01 if no less than 10% of the distributable profit of the year is distributed, then the distributed profit in cash shall not be less than 10% of the distributable profit of the year. For the last three years, the accumulated distributed profit in cash shall be no less than 30% of the average annual distributable profit in the last three years.

4. The profit distribution plan proposed by the Board should obtain approvals from over half of all the independent Directors, and shall be submitted to the shareholders' meeting of the Company for approval after the consideration and approval of the Board. The shareholders' meeting of the Company should communicate with the minority shareholders and obtain adequate opinions from them while considering the cash dividend plan.

5. Should the Company have profit but the Board have not made any cash dividend proposal, then such reasons should be disclosed in the periodic reports and so as the usage of the undistributed fund in the Company. Independent Directors should issue their independent opinions to such matter.

The Board hereby recommends that after the approval of the shareholders at the forthcoming 2020 annual general meeting of the Company (the "**AGM**"):

(1) appropriate 10% of the profit after tax of the parent company calculated under the PRC GAAP to the statutory surplus reserve;

(2) distribute a final dividend of RMB0.10 per share (tax inclusive) for the year ended 31 December 2020 (2019: RMB0.10 per share) to all Shareholders based on the total issued share capital of 3,462,729,405 Shares as at 31 December 2020, amounting to approximately RMB346,272,940.50. The remaining undistributed profits are carried down to the next year;

(3) the A shares 2020 final dividend will be declared and paid in Renminbi, and the H shares 2020 final dividend will be declared in Renminbi and paid in Hong Kong dollars;

(4) The profit distribution will not carry out transfer of capital reserve to share capital or issue of bonus shares.

Independent Directors of the Company have expressed independent opinions on the profit distribution plan.

(II) Plans or proposals for ordinary share profit distribution or transfer of capital reserve to share capital of the Company in the last three years (including the Reporting Period)

Unit: Yuan Currency: RMB

Year	Number of bonus shares for every 10 shares *(share)*	Dividend for every 10 shares (tax inclusive) *(RMB)*	Number of shares transferred from capital reserve for every 10 shares *(share)*	Cash dividends (tax inclusive)	Net profit attributable to ordinary shareholders of the Company in the consolidated statement during the year of dividend distribution	Percentage in net profit attributable to ordinary shareholders of the Company in the consolidated statement *(%)*
2020	0	1.0	0	346,272,940.5	2,320,394,755	14.92
2019	0	1.0	0	346,272,940.5	2,466,407,085	14.04
2018	0	2.0	0	692,545,881	2,447,475,745	28.30

(III) Share buy-back by cash offer recognized in cash dividends

Not applicable

(IV) If the Company records positive profits and distributable profit to ordinary shareholders during the Reporting Period but there is no proposal for cash dividend, the Company to disclose the reasons, the usage and planned usage of the undistributed profits in detail

Not applicable

(V) Other explanations

Explanation on final profit distribution ratio being less than 30% for the year

During the Reporting Period, the net profit attributable to the shareholders of the listed Company amounted to RMB2,320,394,755. The accumulated undistributed profit amounted to RMB22,573,861,250. The total cash dividend proposed to be distributed by the Company amounted to RMB346,272,940.5, accounting for 14.92% of the net profit attributable to the shareholders of listed Company for the year 2020, which is lower than 30%. Specific reasons are separately explained as follows:

1. ***Self-development strategy and demand for funds of the Company***

   In 2021, the Company will continue the launch of various projects, such as the infrastructure construction of the Kazakhstan tungsten mine project, phase 3 of the expansion project of Wushan Copper Mine, phase 4 of the Yates Company, at the same time, in order to further enhance the competitiveness and increase corporate value, the Company will continue to strengthen the investment in merger and acquisition, and explore new domestic and overseas investment and merger and acquisition projects through multiple channels at various levels. As such, the demand for capital increases.

2. ***Characteristics of the industry in which the Company operates***

   The Company is principally engaged in the production, smelting, processing and sales of gold and copper. The industry has the characteristics of large-scale investment, long investment return period and high requirements of environmental protection level. In order to improve the ability to resist risks and to continue the operation, and to enhance the ability to continuously return to our shareholders, the Company adheres to the concept of green, high-quality and efficient development. The Company will continue to invest substantial amount of capital in scientific research and development, environmental protection and technological transformation.

Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders

Pursuant to the "Enterprise Income Tax Law of the PRC" (《中華人民共和國企業所得税法》) and the relevant implementing rules which came into effect on 1 January 2008 and the "Notice of the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which are Overseas non-resident Enterprises" (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the names of non-individual registered shareholders (including HKSCC Nominees Limited, other corporate nominees, trustees or other entities and organizations) will be treated as being held by non-resident enterprise shareholder and will therefore be subject to the withholding of the enterprise income tax.

Withholding and Payment of Personal Income Tax for Individual H Shareholders

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)) dated 28 June 2011, and the letter entitled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" dated 4 July 2011 issued by the Stock Exchange, the Company is required to withhold and pay the individual income tax in respect of the 2020 final dividends paid to the individual H Shareholders (the "**Individual H Shareholders**"), as a withholding agent on behalf of the same. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations, when the 2020 final dividends is to be distributed to the holders of H Shares whose names appear on the register of members of the Company as at 21 June 2021, the Company will base on the tax rate of 10% to withhold 10% of the dividend to be distributed to the Individual H Shareholders as individual income tax. For non-resident enterprise holders of H Shares, the Company will withhold 10% of the dividend as enterprise income tax according to the relevant tax regulations in line with its previous practice.

If shareholders' names appear on the H Shares register of members, please refer to nominees or trust organization for details of the relevant arrangements. The Company has no obligation and shall not be responsible for confirming the identities of the shareholders. The Company will strictly comply with the laws, and withhold and pay the enterprise income tax and individual income tax on behalf of the relevant shareholders based on the H Shares register of members of the Company as of 21 June 2021. The Company will not accept any requests relating to any delay in confirming the identity of the shareholders or any uncertainties in the identity of the shareholders.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for domestic individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Should the holders of H Shares of the Company have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors regarding the relevant tax impacts in mainland China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

XIII. EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company during the Reporting Period.

XIV. DONATION

Humon Smelting, the subsidiary of the Company had donated RMB2 million in 2020 to combat the pandemic in Mouping District, Yantai City.

Report of the Supervisory Committee

2020 WORK REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee exercised its powers in accordance with the provisions of the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**") and the Articles inspected and supervised the financial management of the Company, internal control system, implementation of resolutions of general meetings, business decisions, decisions of the Board and management, and business activities during the Reporting Period, and expressed independent opinions on the following matters:

1. Compliance operation of the Company: During the Reporting Period, in accordance with the relevant provisions of the Company Law and the Articles, the Company supervised the convening procedure and resolutions of general meetings and Board meetings of the year, the implementation of the resolutions of the general meetings by the Board; the integrity and diligence of Directors and senior management of the Company. The Supervisory Committee is of the view that the decision-making procedures of the Company are legal and operate in strict accordance with the internal control system, and no connected parties abnormally occupy the funds of the Company and violate guarantee. As at the end of 2020, Heding Copper, a subsidiary of the Company, provided a guarantee of RMB1.345 billion for Fuye Group. In particular, Jiangxi Jinhui Environmental Technology Co., Ltd. (江西金匯環保科技有限公司), Jiangxi Hefeng Environmental Technology Co., Ltd. (江西和豐環保科技有限公司) and Zhejiang Fuhe Zhiye Co., Ltd.* (浙江富和置業有限公司) acted as the counter-guarantor of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets. Meanwhile, during the Reporting Period, Fuye Group also provided a counter guarantee for Heding Copper with an amount of RMB3.729 billion. The guarantee amount of Humon Smelting, a wholly-owned subsidiary of the Company, to its wholly-owned subsidiary amounted to RMB41.65 million and the balance amount was 0. The Company did not provide any guarantees to its major shareholders and subsidiaries of the major shareholders. There was no non-operating capital occupation between the Company, its major shareholder and subsidiaries of the major shareholders. When performing official duties, Directors and senior management earnestly fulfilled their obligations of honesty and diligence, without violating laws, administrative regulations, the Articles, or activities that would damage the interests of the Company.

2. Financial inspection of the Company: The Supervisory Committee duly considered the periodic reports and effectively inspected the 2020 financial position and financial structure of the Company. The Supervisory Committee concluded that the financial position of the Company is performing well and there are no major risks. The Supervisory Committee is of the view that the audited 2020 financial report of the Company prepared in accordance with PRC GAAP and IFRSs reflects the financial situation and operating results in an objective, fair and true manner.

3. During the Reporting Period, the Company has no material acquisition and disposal. There was no indication of damage to shareholders' interests or dissipation of the Company's assets.

4. During the Reporting Period, the procedures for entering into connected transactions complied with the requirements of the Listing Rules. The disclosure of connected transactions was timely and sufficient. The implementation of connected transaction contracts reflected the principle of justice and fairness, and there was no behavior that harmed the interests of shareholders or the Company.

5. Internal control of the Company: The Supervisory Committee duly reviewed the Assessment Report on Internal Control of the Company (《江西銅業股份有限公司內部控制評價報告》). The Supervisory Committee is of view that the Company has established a sound internal control system which can be effectively implemented. The Assessment Report on Internal Control of the Company (《江西銅業股份有限公司內部控制評價報告》) completely, truly, accurately and objectively reflected the actual situation of the internal control of the Company, and the Supervisory Committee had no objection to the above assessment report.

6. During the Reporting Period, information disclosure was in compliance with the regulatory requirements of domestic and overseas listing locations where the shares of the Company are listed, and the information disclosure management system and business processes of the Company were able to operate effectively.

In summary, in 2021, the Supervisory Committee will continue to perform its duties faithfully in strict accordance with the Company Law, the Articles of Association and the relevant laws and regulations of the PRC, effectively supervise the Board of Directors and senior management in their daily duties in accordance with the law, actively attend the general meetings and board meetings, keep abreast of the Company's financial position, be aware of and supervise the lawfulness and compliance of all major decisions and their procedures, and further improve the standard operation of the Company.

I. INFORMATION ON CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly complied with the Disclosure of Inside Information and Procedures of Internal Control, and standardized its operation in strict compliance with provisions of laws, regulations and regulatory documents domestically and overseas including the PRC Company Law, the PRC Securities Law, Code of Corporate Governance for Listed Companies, and Listing Rules of SSE and the Listing Rules. We continued optimizing the governance structure to regulate the operation of the Company, in which the Board, Supervisory Committee and special committees under the Board duly performed their duties and operated in accordance with law.

There was no material difference between the corporate governance of the Company and the requirements of the relevant regulations of CSRC.

II. CORPORATE GOVERNANCE CODE

The Company strives to maintain and establish high quality corporate governance.

To the knowledge of the Board, during the Reporting Period, the Company has been in full compliance with all the code provisions under the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules, with the exceptions as disclosed in this Corporate Governance Report and the following deviations:

During the Reporting Period, potential legal actions which the Directors may face were covered in the internal control and risk management of the Company. As the Company considered that it is unlikely to have additional risks, insurance arrangements in respect of legal action against the Directors have not been arranged as required under code provision A.1.8 of the Code.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the cessation of Mr. Long Ziping as the chairman of the Company (the "**Chairman**") on 9 September 2020, the role of the Chairman has been taken up by Mr. Zheng Gaoqing, the general manager of the Company and the responsibilities of the general manager were shared by each of the deputy general managers of the Company within the scope of their authorities (where necessary).

The followings are the corporate governance practices adopted by the Company.

(I) Shareholders and general meeting

The Company seeks to ensure that all shareholders, especially minority shareholders, are able to enjoy equal status and exercise their rights and the corresponding obligations effectively and fully. Meanwhile, it seeks to ensure shareholders' rights to be aware of and participate in the Company's significant events as stipulated under relevant laws, regulations and the Articles of Association of the Company.

The procedures for convening, holding of, considering resolutions and voting at the shareholders' meetings of the Company are in strict compliance with the relevant regulatory provisions of the places where the Company's shares are listed as well as the requirements of the Articles of Association of the Company. All shareholders' meetings of the Company are witnessed by the PRC lawyers with the representative from auditors as the scrutineer.

(II) Relationship between the controlling shareholder and the Company

JCC, being the controlling shareholder of the Company, performs its rights and obligations legally. The economic business between the Company and its controlling shareholder is carried out strictly in accordance with market and commercial principles and follows the approval procedures for connected transactions. The controlling shareholder has not overridden the power of the general meeting to interfere directly or indirectly the operating activities of the Company. The Company is independent from its controlling shareholder in terms of operations, assets, organisation, finance and staff. The Board, Supervisory Committee and the internal functions of the Company are able to operate independently.

(III) Directors, the Board and senior management

The Board is mainly responsible for devising the Company's overall strategies such as the development strategies, management structure, investment and financing, budget, financial control and human resources (including reviewing and monitoring the training and continuous professional development of the Directors and senior management personnel and formulating, reviewing and monitoring the code of conduct and compliance manual of employees and Directors) and overseeing the operations of the Company. The Board is also responsible for reviewing and monitoring the policies and practices regarding the Company's compliance with laws and regulatory requirements and formulating the operations and disclosures of the Company in accordance with the listing rules or other rules and regulations of places where the shares of the Company are listed and reviewing the financial performance of the Company. In addition, the Board is also responsible for formulating and reviewing the Company's corporate governance policies and practices. The Board has reviewed the Company's compliance with the Code and the disclosure in the "Corporate Governance Report" during the Reporting Period.

Of which, the Chairman leads and supervises the operation of the Board and effectively plans Board meetings to ensure that the Board acts in the best interests of the Company. Under the leadership of the Chairman, the Board has adopted sound corporate governance and procedures and taken adequate measures for efficient communication with shareholders. The Chairman implements the Board's decisions and makes daily management decisions. The power and duties of the Board and Chairman of the Company are set out in the Articles of Association in details.

Senior management of the Company comprises the General Manager, the Deputy General Manager, the chief engineer, the chief financial officer, the chief legal officer, secretary to the Board of the Company and other management personnel as determined by the Board. The General Manager is responsible to the Board for exercising the following duties: presiding over the production, operation and management work of the Company; organising the implementation of the Board's resolutions; organising the implementation of business plan and investment plan of the Company for the year; organising the formulation of plan for the establishment of internal management organisations of the Company; organising the formulation of fundamental management system of the Company; organising and formulating the fundamental rules of the Company; proposing the appointment or removal of the Deputy General Manager and the chief financial officer of the Company; appointing or removing management personnel other than those who shall be appointed or removed by the Board; and other duties granted by the Articles of Association and the Board.

During the Reporting Period, Mr. Zheng Gaoqing served as the Chairman of the Company. As Mr. Long Ziping ceased to be the Chairman of the Board on 9 September 2020, the position of the Chairman of the Board is held by Mr. Zheng Gaoqing, general manager of the Company, and the duties of general manager are shared amongst the deputy general managers within their scope of authority, if necessary.

From 1 January 2020 to 8 September 2020, the Board comprised 11 Directors, including 7 executive Directors and 4 independent non-executive Directors. From 9 September 2020 to 31 December 2020, the Board comprised 10 Directors, including 6 executive Directors and 4 independent non-executive Directors.

Four executive Directors (i.e. Mr. Zheng Gaoqing, Mr. Yu Tong, Mr. Liu Fangyun and Mr. Wang Bo) has background of the controlling shareholder or the actual controller. Members of the Board have different industrial background and professional knowledge in corporate management, financial accounting, law, mining and metallurgy. For details of the composition of the Board and the biographies of the members of the Board, please refer to the section headed "Particulars of Directors, Supervisors, senior management and staff" in the chapter "Report of the Board" of this report.

To the best knowledge and belief of Directors, there is no relationship among members of the Board, including financial, business, family or other material or relevant relationships.

Pursuant to relevant provisions in the Articles of Association of the Company, the term of office of the Chairman and other Directors (including non-executive Directors) is three years commencing from the date of their appointment or re-election and they are eligible for re-election and re-appointment.

Mr. Zhu Xingwen, an independent non-executive Director, is a senior accountant, holds a bachelor's degree in economics from the Department of Finance and Accounting of Jiangxi University of Finance and Economics, majoring in commercial accounting, and a doctoral degree in Management (Accounting) from Tianjin University of Finance and Economics. Mr. Zhu currently working as a professor and a tutor for doctoral and postgraduate students at the School of Accounting of Jiangxi University of Finance and Economics. Due to his educational background and experience, the Board considers that, Mr. Zhu with his educational background and experience, is in compliance with the requirement set out in Rule 3.10(2) of the Listing Rules which prescribes that at least one of the independent non-executive Directors shall have appropriate expertise in accounting or related financial management.

The Company nominates the Director candidates in accordance with the Articles of Association of the Company and relevant regulatory requirements. Candidates for independent directorship may be nominated by the Board, Supervisory Committee or by shareholders individually or collectively holding 1% or more of the issued shares of the Company carrying voting rights. Candidates for non-independent directorship may be nominated by the Board or the controlling shareholder of the Company.

The Board established the Independent Audit Committee (the Audit Committee), the Remuneration Committee and Nomination Committee:

The responsibilities of the Independent Audit Committee principally cover reviewing and monitoring the performance and procedures of financial reporting as well as the accounting policies and affairs of the Company, making recommendations to the Board on the appointment, re-appointment and removal of external auditors, approving the remuneration and terms of engagement of external auditors and dealing with any issue related to the resignation or dismissal of such auditors, considering the engagement of independent auditors and the related coordination, reviewing their related work efficiency and performance, serving as a major representative between the Company and the external auditors for monitoring the relationship between those two parties, reviewing the risk management and internal control system of the Company, discussing the risk management and internal control system with the management to ensure the management's fulfilment of responsibilities in setting up an effective system, and considering major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and management's response to these findings.

The eighth session of the Independent Audit Committee comprised 4 independent non-executive Directors, namely Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen, of which Mr. Zhu Xingwen was the chairman of the Independent Audit Committee. The Secretary to the Board is also the secretary to the Independent Audit Committee.

The establishment status, main particulars and performance of the relevant duties of the Independent Audit Committee (the Audit Committee):

1. The Company had formulated the Terms of Reference of the Independent Audit Committee (the Audit Committee) (《獨立審核委員會(審計委員會)議事規則》), in which the Independent Audit Committee (the Audit Committee) is responsible to the Board and assumes the duties to review the Company's financial reporting, financial control, internal control and risk management systems and oversee the preparation procedures of the Company's financial statements and the completeness of their contents as well as the appointment and removal of the auditors. During the Reporting Period, the Independent Audit Committee listened to the report on material matters such as the production operation and the construction of risk control system for the year from the Company's chief financial officer, financial management department, legal affairs and risk control department, and made constructive suggestions for the development of risk control system of the Company.

2. Summary report on fulfilment of duties of the Independent Audit Committee:

(1) We convened two meetings in 2020, and all members of the Independent Audit Committee attended the meeting. Respectively, we reviewed and confirmed the 2019 annual report audited by Ernst & Young Hua Ming LLP and issued written opinions on the connected transactions, fund appropriation and external guarantees of the Company and made recommendations for the appointment of auditors, reviewed and confirmed the 2020 interim report audited by Ernst & Young Hua Ming LLP and were briefed on the report on 2020 annual audit work arrangements by the auditors.

(2) We have reviewed the annual financial statements for 2020 prepared by the Company, and issued written opinions that such financial statements were in compliance with the PRC GAAP, and agreed to submit such financial statements to Ernst & Young Hua Ming LLP for auditing.

(3) We were briefed on matters including the audit process, audit findings and audit adjustments of Ernst & Young Hua Ming LLP and considered that the audit work was executed in strict accordance with provisions of China Standards on Auditing for Certified Public Accountants.

(4) Upon issuance of initial audit opinions by the auditors, we reviewed such financial statements prepared by the Company again and considered that they were appropriately prepared in accordance with requirements of the PRC GAAP, and truly and completely reflected the Company's financial position as at 31 December 2020, operating results and cash flow in 2020 in relevant material aspects.

(5) We submitted to the Board the summary report of the Company's audit work for the previous year made by the auditors, considering that Ernst & Young Hua Ming LLP executed the auditing work in strict accordance with provisions of China Standards on Independent Auditing for Certified Public Accountants. With sufficient time for audit and reasonable allocation on audit personnel, the auditors were competent in respect of execution ability. The audit report issued fully reflected the financial position of the Company as at 31 December 2020 and its operating results for 2020 and were in line with the actual situation of the Company.

(6) We recommended to continue to appoint Ernst & Young Hua Ming LLP and Ernst & Young to be the domestic and overseas auditors of the Company for the year 2021.

Members of Independent Audit Committee: Tu Shutian, Liu Erh Fei, Liu Xike and Zhu Xingwen

22 March 2021

The responsibilities of the Remuneration Committee mainly include: to provide advice to the Board in respect of the remuneration policies and structure of the Company's Directors and senior management and formulation of remuneration policies through establishment of formal and transparent procedures; to review and approve proposals in respect of remuneration of the management in response to the various enterprise principles and targets; to propose remuneration of all executive Directors and senior management which includes non-monetary benefits, pension rights and compensation to the Board; to provide advice to the Board in respect of the remuneration of non-executive Directors; to consider the remuneration paid by similar companies, time and duties devoted as well as employment conditions of other posts within the Group; to ensure that no Director or any of his/her associates determines his/her own remuneration; and to provide other duties specified in the terms of reference of the Remuneration Committee.

The eighth session of the Remuneration Committee comprised 4 independent non-executive Directors, namely, Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Zhu Xingwen and Mr. Liu Xike, of which Mr. Tu Shutian is the chairman of the Remuneration Committee. The Secretary to the Board is also the secretary to the Remuneration Committee.

Performance of duties of the Remuneration Committee of the Board:

In 2020, the Remuneration Committee organized and convened one meeting to assess the remuneration of Directors and senior management for 2019 pursuant to the Rules for the Board and the request of the Board. All members of the Remuneration Committee attended the meeting and reviewed the remuneration of the Directors and senior management in 2019. The Remuneration Committee is of the view that the realization of the remunerations for the year 2019 received by the Company's Directors and senior management were carried out in strict compliance with the remuneration policy approved at the shareholders' general meeting and the Board.

In addition, the Remuneration Committee heard the remuneration plan for Directors and senior management for 2020 proposed by the human resources department of the Company and provided independent written comments on the review of the plan.

Members of Remuneration Committee: Tu Shutian, Liu Erh Fei, Zhu Xingwen and Liu Xike

22 March 2021

The responsibilities of the Nomination Committee mainly include: to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to establish a diversity policy for the Board members and disclose its policy and the summary of the policy in the Corporate Governance Report; to supervise the diversity policy for the Board members and review the measurable targets and the progress of achieving the objectives; to assess the independence of independent non-executive Directors; to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive.

From 1 January 2020 to 8 September 2020, the eighth session of the Nomination Committee comprised of Mr. Long Ziping, the then Chairman, and four independent non-executive Directors, Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Zhu Xingwen and Mr. Liu Xike, of which the Chairman of the Nomination Committee was Mr. Long Ziping. Mr. Long Ziping ceased to be the Chairman of the Board and Chairman of the Nomination Committee on 9 September 2020 and was replaced by Mr. Zheng Gaoqing. Since 9 September 2020, the Nomination Committee consists of Mr. Zheng Gaoqing, the Chairman, and four independent non-executive Directors, Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Zhu Xingwen and Mr. Liu Xike. The Secretary to the Board is the secretary to the Nomination Committee.

Performance of duties of the Nomination Committee of the Board:

In 2020, the Nomination Committee convened one meeting pursuant to the Terms of Reference of the Nomination Committee and the request of the Board. All members of the Nomination committee attended the meeting and reviewed in details of Mr. Zheng Gaoqing, the candidate for Chairman. Through careful discussion, the Nomination Committee reviewed his qualification and nomination procedures, and formed a written resolution for the meeting. All independent Directors have presented their written independent opinions.

Members of Nomination Committee: Zheng Gaoqing, Long Ziping (then member), Tu Shutian, Liu Erh Fei, Zhu Xingwen, Liu Xike

22 March 2021

(4) Supervisory Committee

The Supervisory Committee consists of 5 Supervisors, including 2 employees representative Supervisors. The Supervisors serve for a term of office of three years and are eligible for re-election. The current Supervisory Committee is the eighth Supervisory Committee since the incorporation of the Company.

During the Reporting Period, the Supervisors exercised its supervising power in accordance with laws, thereby safeguarding the legal interests of shareholders, the Company and its employees.

(5) Directors' responsibilities on the financial statements

With the assistance of the accounting department, the Directors are responsible for preparing the financial statements of the Company for each financial year and ensuring that, in preparing such financial statements, appropriate accounting policies are adopted and applied and the PRC GAAP and IFRSs are complied with to give a true and impartial view of the financial position and operating results of the Company.

(6) Independence of the independent non-executive Directors

The Board has received a confirmation letter from each of the independent non-executive Directors in respect of their independence in accordance with the requirements provided under Rule 3.13 of the Listing Rules. The Company considers the current independent non-executive Directors to be independent.

(7) Board diversity policy

The Board has adopted a diversity policy for the Board members, and the Nomination Committee is responsible for supervising the effectiveness of the measurable targets and the progress of achieving the objectives.

The Company understands and believes that the diversity policy for the Board members can enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company regards the increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, the Company has considered a number of aspects for the Board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments of the Board are based on meritocracy, and candidates are selected objectively having taken full account of the benefits of diversity on the Board.

(8) Policy for Nomination of Directors

The procedures of appointment, re-election and removal of the Directors are set out in the Articles of Association. The Nomination Committee carefully considers a number of aspects including the qualifications and biography of director candidates and then recommends them to the Board. After the Board passes the nomination resolution in relation to the candidate, the resolution will be proposed to the general meeting of the Company for consideration and approval. The Nomination Committee and the Board will consider a number of factors in making nominations, including but not limited to skill, expertise, industrial experience, integrity, independence (regarding the independent non-executive Directors) and the diversity of the Board.

III. PEER COMPETITION AND CONNECTED TRANSACTIONS

(1) Peer competition

During the Reporting Period, there was no substantive peer competition between the Company and its controlling shareholder, JCC.

(2) Connected transactions

The Company was established in 1997 through separation of part of the assets from the controlling shareholder, JCC. Hence, certain connected transactions are inevitable between the Company and JCC and its subsidiaries from time to time (except the Group). Such connected transactions are in compliance with the market and business principles and follow the approval procedures for connected transactions.

The Company has sought to reduce the connected transactions with JCC and its subsidiaries from time to time (except the Group) since its listing. The types of connected transactions between the Company and JCC and its subsidiaries from time to time (except the Group) have been substantially reduced due to the increasing acquisitions of assets of JCC and its subsidiaries from time to time (except the Group) by the Company and the socialisation of part of assets of JCC.

For details of the connected transactions conducted between the Company and JCC and its subsidiaries from time to time (except the Group), please refer to the section headed "Material connected transactions" in the chapter of "Significant Events" in this report.

IV. GENERAL MEETING OVERVIEW

Session of the meeting	Date of convening	Reference of the website specified for information disclosure	Publication date of resolutions
2019 Annual General Meeting, 2020 First A Shares Class Meeting and 2020 First H Shares Class Meeting	10 June 2020	SSE www.sse.com.cn (No. of announcement: 2020-021)	11 June 2020
2020 First Extraordinary General Meeting	4 September 2020	SSE www.sse.com.cn (No. of announcement: 2020-033)	5 September 2020
2020 Second Extraordinary General Meeting	7 December 2020	SSE www.sse.com.cn (No. of announcement: 2020-046)	8 December 2020

Explanation on Shareholders' Meeting

In 2020, all resolutions submitted to the extraordinary general meeting, annual general meeting and class meeting convened by the Company for consideration were approved.

V. FULFILMENT OF DUTIES BY DIRECTORS

(I) Attendance of Directors at the Board meetings and shareholders' meetings

Name of Director	Whether an independent Director	Required attendance in the year	Participation in Board meetings: Attendance in person	By telecommunication	Attendance by proxy	Absence	Whether not attend in person for two consecutive times	Participation in shareholders' meetings: Attendance in shareholders' meetings
Zheng Gaoqing *(Chairman)*	No	10	10	0	0	0	No	1
Wang Bo	No	10	10	0	0	0	No	3
Liu Fangyun	No	7	7	0	0	0	No	1
Yu Tong	No	10	10	0	0	0	No	5
Gao Jian-min	No	10	8	2	0	0	No	0
Liang Qing	No	10	8	1	1	0	No	0
Long Ziping *(Note)*	No	6	6	0	0	0	No	1
Dong Jiahui	No	2	1	0	0	0	No	0
Tu Shutian	Yes	10	10	0	0	0	No	4
Liu Xike	Yes	10	9	1	0	0	No	0
Liu Erh Fei	Yes	10	9	1	0	0	No	0
Zhu Xingwen	Yes	10	8	2	0	0	No	3

Note: Mr. Long Ziping served as the Chairman of the Company from 1 January 2020 to 8 September 2020.

Explanation on not attending the Board meeting in person for two consecutive times

Not applicable

Board meetings convened during the year	10
Of which: On-site meetings	2
By telecommunication	0
Meetings held on site and by telecommunications	8

(II) Objection of independent Directors on the Company's relevant events

Not applicable

(III) Model Code for Securities Transaction by Directors

During the Reporting Period, the Company adopted the Model Code for Securities Transactions by Directors of Listed issuers. Having made specific enquiries to all Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the requirements of the Model Code during the Reporting Period.

(IV) Directors' participation in continuous professional development

During the Reporting Period, according to the requirement of the CSRC and the two stock exchanges, all the Directors namely Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Gao Jian-min, Mr. Liang Qing, Mr. Liu Fangyun, Mr. Yu Tong, Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen attended the training classes of professional knowledge, participated in the continuous professional development and updated their knowledge and skills, so as to ensure that they can contribute to the Board with the comprehensive information catering to their needs.

All Directors have read and earnestly studied the latest securities laws, regulations and rules of Hong Kong and the PRC.

VI. MAJOR ADVICE AND RECOMMENDATION PROPOSED BY THE SPECIAL COMMITTEES UNDER THE BOARD IN FULFILMENT OF DUTIES DURING THE REPORTING PERIOD, AND DETAILS IN CASE OF DISAGREEMENTS

The Company has established the Terms of Reference for Annual Report of the Independent Directors (《獨立董事年度報告議事規則》). Work Rules of the Independent Audit Committee (Audit Committee) (《獨立審核委員會(審計委員會)工作規程》) of the Company also requires that all members of the independent Audit Committee shall be independent Directors. During the Reporting Period, independent Directors duly performed their duties, carefully reviewed the connected transactions, appropriation of funds by substantial shareholders, preparation of the annual report, appointment of accountant firm and issued independent opinions.

VII. EXPLANATION ON THE RISK IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

Not applicable

VIII. EXPLANATION ON LACK OF INDEPENDENCE OR INDEPENDENT OPERATING ABILITY IN TERMS OF BUSINESS, PERSONNEL, ASSETS, ORGANISATIONS AND FINANCE BY THE COMPANY FROM ITS CONTROLLING SHAREHOLDER

Not applicable

IX. PARTICULARS OF THE ASSESSMENT MECHANISM FOR SENIOR MANAGEMENT AND OF THE ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

According to the authorization by the general meeting, the Board has considered and approved the Proposal of Remuneration of Senior Management of the Company for the year 2020.

X. AUDITORS' REMUNERATION

For the auditors' remuneration in 2020, please refer to the content of "Appointment and removal of accounting firms" under the section headed "Significant Events" in this report.

XI. COMPANY SECRETARY

For the year ended 31 December 2020, Mr. Tung Tat Chiu, the company secretary of the Company, had received relevant professional trainings of not less than 15 hours to update his skills and knowledge. Mr. Tu Dongyang, the deputy general manager of the Company is the main contact person for Mr. Tung.

XII. SHAREHOLDERS' RIGHTS

The Company ensures that all its shareholders enjoy equal rights and they can fully exercise their rights based on their shareholdings. The Articles of Association of the Company expressly provides that its shareholder(s) holding more than 10% (including 10%) of the issued shares with voting rights of the Company may request the Board to convene an extraordinary general meeting. The convening, holding, voting and relevant procedures are in strict compliance with relevant laws and the Articles of Association of the Company.

The Articles of Association of the Company also expressly provides that its shareholders are entitled to supervise and manage the business and operation of the Company, put forward recommendations or questions, inquire relevant information as well as the rights to know and participate in the Company's significant events. For details of the procedures and methods of inquiry, please refer to the Articles of Association of the Company. The Company values good communication with its shareholders. The main communication channels of the Company include general meetings, the Company's website and electronic mailbox, the facsimile and telephone of the secretariat of the Board, which are available for its shareholders to express their opinions or exercise their rights.

XIII. INVESTOR RELATIONS

During the Reporting Period, the Company attached great importance to build a sound and harmonious investor relation. The Company intensified the communication and interaction with its shareholders through various channels such as the Company's website, emails, telephone and facsimile, greeted its shareholder's visits and replied to their letter and calls seriously, and addressed their concerns and inquiries, turning the investors' request and suggestions as an incentive for the Company to grow.

In addition, the websites of the Company and the Stock Exchange contain the information of the Company, the annual reports, interim reports, quarterly reports and interim announcements and circulars published by the Company. The latest information of the Company is available to its shareholders and investors.

The Company has uploaded its Articles of Association on the websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.jxcc.com/). Pursuant to the Approval of the State Council on the Adjustment to the Notice Period for Convening General Meetings and Other Matters Applicable to Overseas Listed Companies (Guo Han[2019] No. 97) (《關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)), the requirements on the notice period and convening procedures for general meetings of joint stock companies incorporated in the PRC and listed overseas shall be governed by the relevant provisions under the applicable Company Law of the PRC. Accordingly, in light of the actual situation of the Company and pursuant to the said notice and the Company Law of the PRC, the Company amended relevant provisions of the Articles relating to, among others, the business scope and notice period for general meetings during the Reporting Period. Please refer to the circular of the Company dated 24 April 2020 for details.

XIV. RISK MANAGEMENT AND INTERNAL CONTROL

In order to strengthen the organization, leadership, command and coordination of the development and operation of the risk control system of the Company, comprehensively improve the ability and efficiency of risk control management, prevent and resolve various risks in a timely manner, and promote the sustainable, healthy and stable development of the Company, the Company established Risk Management Committee, including the general manager, the deputy director of co-management, the other administrative deputy leaders and the main heads of each major department of the Company. The Risk Management Committee of the Company holds meetings from time to time. Its responsibilities include reviewing the Company's risk management strategy, determining the Company's risk preference and risk tolerance and reviewing risk management policies and risk assessment standards; reviewing risk management solutions, including major risk response plans, major risk early warning indicators and early warning plans; reviewing risk management assessment and recommending special reports and risk management supervision and evaluation audit comprehensive reports; reviewing risk management organization settings and their responsibilities plans; and other matters related to risk management.

The Risk Management Committee of the Company has an office located in the internal audit and legal department of the Company. The office is responsible for the daily work of the committee, including inspection, supervision, evaluation and reporting on the development of risk control system and daily operation of the Company, submitting decision-making proposals to the Risk Management Committee, and organizing and implementing the of relevant decisions and deployments.

The Audit Committee of the Company regularly (twice a year) reviews the risk management system for the year 2020 of the Group. During the Reporting Period, the Independent Audit Committee has conducted an evaluation for the Group's management system, and is of the view that the risk management system of the Group is effective and adequate.

The Board is responsible for the risk management and internal control systems and is responsible for reviewing the effectiveness of these systems. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board regularly (twice a year) reviews the internal control of the Group. The Company has a Risk Control Internal Audit and Law Department, one of whose functions is internal control, which provides analysis and independent assessment of the Company's risk management and internal control system. During the Reporting Period, the Board has conducted an evaluation for the Group's internal control. Please refer to the "Internal Control" section as set out in this report and the 2020 Assessment Report on Internal Control disclosed on 29 March 2021 at the website of the SSE for details.

XV. INSIDE INFORMATION POLICY

The Company has formulated the Registration Filing System of Inside Information Sources of Jiangxi Copper Company Limited to provide guidelines for sources of inside information, including but not limited to Directors, Supervisors and senior management of the Company, to regulate inside information management, strengthen the confidentiality work of inside information and uphold the principle of fairness in respect of disclosure of information.

Internal Control

I. STATEMENT ON THE RESPONSIBILITY OF INTERNAL CONTROL AND ESTABLISHMENT OF INTERNAL CONTROL SYSTEM

It is the responsibility of the Board to establish a sound internal control, implement it effectively, and evaluate its effectiveness and truthfully disclose the assessment report on internal control in accordance with the requirements of the Standards System for Enterprise Internal Control. The Supervisory Committee supervises the establishment and implementation of internal control by the Board. The management of the Company is responsible for organizing and leading the daily operation of internal control of the Company.

The Board, Supervisory Committee and Directors, Supervisors and senior management of the Company warrant that there are no false representations, misleading statements or material omissions in this report, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the content herein contained.

The objectives of the Company's internal control are reasonable assurance of operation and management in compliance with laws and regulations, asset safety, truthfulness and completeness of financial report and relevant information, improvement of operation efficiency and results, as well as promotion of development strategy. Due to inherent limitations of internal control, it can only provide reasonable assurance for the achievement of the above objectives. In addition, changes in circumstances may lead to inadequacy of internal control or reduction of the adherence of control policies and procedures, thus it has certain risks in assessing the effectiveness of future internal control with the evaluation results of internal control.

(I) Conclusions on the evaluation of internal control

According to the identification criteria of material deficiency of internal control in the financial reporting of the Company, as at the basis date of the internal control evaluation report, material deficiency of internal control in the financial reporting did not exist. The Board is of the view that the Company has maintained efficient internal control in the financial report in all material respects in accordance with the requirements of the corporate internal control standard system and relevant regulations.

According to the identification of material deficiency of internal control in the non-financial reporting of the Company, as at the basis date of the internal control evaluation report, material deficiency of internal control in non-financial reporting did not exist.

There were no factors affecting the conclusion of the evaluation of efficiency of internal control from the basis date of the internal control evaluation report to its issue date.

(II) Evaluation of internal control

1. Evaluation scope of internal control

The Company determined to incorporate major units, business and matters as well as high-risk fields into the evaluation scope pursuant to the risk-oriented principle.

(1) Major units being incorporated in the evaluation scope comprise of:

The Company, Humon Smelting, JCC Yinshan Mining Company Limited, JCC Finance Company Limited, JCC Copper Products Company Limited, Jiangxi Copper Products Company Limited, Jiangxi Copper-Taiyi Special Electrical Materials Company Limited, Jiangxi Copper Longchang Precise Copper Pipe Company Limited, Jiangxi Copper-Yates Copper Foil Company Limited, Jiangxi Copper International Trade Company Limited, Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd, Thermonamic Electronics (Jiangxi) Company Limited, JCC (Guixi) Logistics Company Limited, JCC Geology Exploration Company Limited, Jiangxi Copper (Hong Kong) Investment Company Limited, Jiangxi Copper Company Hong Kong Limited, Jiangxi Copper Huabei (Tianjin) Company Limited.

(2) Percentage of the Enterprises Covered in the Appraisal Scope:

Indicators	Percentage %
The percentage of the total assets of the enterprises covered in the appraisal scope accounting for the total assets shown in the Company's consolidated financial statements	93.57%
The percentage of the total revenues of the enterprises covered in the appraisal scope accounting for the total revenues shown in the Company's consolidated financial statements	95.44%

(3) Main Business and Matters Covered in the Appraisal Scope Include:

Internal environment (organizational structure, development strategy, human resources, corporate culture, social responsibility), risk assessment, information and communication, internal supervision, sales management, procurement management, capital management, financial report management, asset management, production and inventory management, contract management, equity investment management, engineering management, finance and derivatives management, information system management, comprehensive budget management, research and development management, etc.

(4) ***High-risk Fields Focused on Include:***

Marketing and trade business, financial derivative business (futures, forward foreign exchange), financial business, engineering management, inventory management, asset management, foreign investment business.

The above-mentioned units, business and items, as well as high-risk fields included in the evaluation scope, comprised the Company's major aspects of operation and management. There is no significant material omission.

2. Basis of internal control evaluation and standard of deficiency identification in internal control

The Company organizes and carries out the internal control evaluation in accordance with the Enterprise Internal Control Standard System, the Guidelines for Enterprise Internal Control Evaluation and the 2020 Internal Control Evaluation Implementation Plan of Jiangxi Copper Company Limited.

According to the requirements of Enterprise Internal Control Standard System for the identification of material defects, major defects and general defects, given the Company's size, industry characteristics, risk preference, risk tolerance and other factors, the Board distinguished between internal control over financial reporting and that over non-financial reporting and studied and formulated the specific identification criteria for deficiency in internal control applicable to the Company and consistent with the criteria last year.

The internal control defect identification standard in the financial report identified by the Company is as follows:

(1) Standard of identification for internal control defects in the financial report

Quantitative standard for identification of internal control defects in the financial report of the Company is as follows:

Name of indicators	Quantitative criteria for material defects	Quantitative criteria for major defects	Quantitative criteria for general defects
Amount of misstatement in financial statements	greater than 10% of the audited net profit of the Company for the last accounting period	greater than 6% and less than or equal to 10% of the audited net profit of the Company for the last accounting period	less than or equal to 6% of the audited net profit of the Company for the last accounting period

Qualitative standard for identification of internal control defects in the financial report of the Company is as follows:

<table>
<tr><th>Magnitude of Deficiency</th><th>Qualitative Criteria</th></tr>
<tr><td>Material defects</td><td>One of the following signs usually indicates that there are material defects in the internal control of financial reporting:

1. the Directors, Supervisors and senior management are found to have fraudulent behavior;

2. ineffective internal control environment;

3. the Company corrects the published financial reports;

4. the certified public accountant identifies material misstatement in the current financial report which has not been identified during the operation of the internal control;

5. the supervision of the Company's Audit Committee and Department of Audit over the internal control is proved to be ineffective.</td></tr>
<tr><td>Major defects</td><td>One of the following signs usually indicates that there are major defects in the internal control of financial reporting:

1. although the correction of the misstatement in the financial report which does not reach or exceed the level of major importance, but is still worth the attention of the Board and the management;

2. internal control defects which have occurred and reported to the management are not corrected on time.</td></tr>
<tr><td>General defects</td><td>Other internal control defects that do not constitute material defects or major defects.</td></tr>
</table>

(2) ***Identification criteria for defects in internal control over non-financial report***

Quantitative criteria for identifying defects in internal control over non-financial reporting of the Company is as follows:

Name of indicators	Quantitative criteria for material defects	Quantitative criteria for major defects	Quantitative criteria for general defects
Loss of business ability, degree of achievement of business objectives	1. For material business failure, remarkable costs (over 20% budget of investment in time, personnel and costs) have to be paid in order to control the situation, or the uncontrollable situation brought material impact on the survival of the enterprise;	Between major defects and general defects.	1. Certain impact on the operation. The situation can be controlled by paying less costs (within 6% budget of investment in time, personnel and costs);
	2. Risks resulted in failure of the Company to achieve part of its key operating targets or results targets. For any one of the unachieved targets with completion rates lower than 90%, or the departments/units affected by such risks failed to achieve all its key operating targets or results indicators *(Note 1)*;		2. Due to risks such as equipment, personnel, system and natural disasters, general business/operation of departments/units affected by such risks discontinued for 4 hours or below or may recover promptly.
	3. Due to risks such as equipment, personnel, system and natural disasters, general business/operation of departments/units affected by such risks discontinued for 3 days and above.		

Name of indicators	Quantitative criteria for material defects	Quantitative criteria for major defects	Quantitative criteria for general defects
Loss of assets	Greater than or equal to over 8% of the audited net profit in the recent accounting year.	Between major defects and general defects.	Lower than 6% but greater than or equal to 4% of the audited net profit in the recent accounting year.
Compliance with laws and regulations	1. Serious breach of laws and regulations, resulting in investigation by the central government or regulatory institutions and causing punishment;	Between major defects and general defects.	1. In breach of laws and regulations, resulting in investigation, litigation or punishment imposed by prefecture-level government department or may exist the problem of slight violation of regulations; mostly verbal warning;
	2. Significant commercial disputes, civil litigations or arbitration; target amount reached 8% of the audited net assets in the recent accounting year of the Company.		2. Normal commercial disputes, civil litigations or arbitration; target amount was lower than 6% but greater than or equal to 4% of the audited net assets in the recent accounting year of the Company.
Impact on safety	One incident resulting in more than 3 deaths.	Between major defects and general defects.	One incident resulting in 3 persons below suffering from serious injuries (including acute industrial poisoning).

Note 1: Key operational indicators or performance indicators refer to the indicators of the annual assessment of the Company by the Board or various indicators of the units of the appraisal issued by the Company during the year, such as cost indicators, profit indicators, return on net assets, energy conservation and emission reduction, safety production, etc.

Qualitative standard for identification of internal control defects over non-financial report of the Company is as follows:

Nature of defects	Qualitative standard
Material defects	1. The affected scope and recovery degree of reputation: (1) negative information spreads across the nation, and the central government departments or regulators pay high attention or start an investigation, or the information becomes a great concern of the official and mainstream media *(Note 2)*; (2) the enterprise needs more than 1 year to restore its reputation *(Note 3)*. 2. Impact of environmental damage: (1) irreparable environmental damage(s) that can be catastrophic or the environmental events as defined in the Emergency Countermeasures for Environmental Incidents of the PRC (《國家突發環境事件應急預案》); (2) the situation is reported by the national administrative department on environmental protection and is requested to suspend production for rectification. 3. The impact of employee attitude, ability and quantity: (1) serious impairment of the interest of employees and influence their overall working enthusiasm; (2) individual or collective appeal of the staff, which has bad influences; (3) the loss of more than 5% of the key technical staff and management (intermediate level (inclusive) technician/managerial personnel at middle level above the secondary units).
Major defects	Between material defects and general defects.

Nature of defects	Qualitative standard
General defects	1. The affected scope and recovery degree of reputation: (1) negative information which has little or no damage to the corporate reputation or does not attract the attention of the media; (2) the corporate can rapidly defuse the impact caused by the negative information. 2. Impacts of environmental damage: (1) administrative penalty imposed by the environmental protection department at the district and county level; (2) has certain or temporary impact on the environment or society, but no damage to the ecosystem; (3) draws attention of the relevant authorities of the government needs to inform the relevant authorities of the government, and does not need to take practical actions but needs to pay close attention. 3. The impact of employee attitude, ability and quantity: (1) influences the working enthusiasm of the staff to some extent and lower their working efficiency; (2) individual or collective appeal of the staff to the parent company, which has adverse impact on the corporate culture, corporate cohesion to certain extent. (3) the loss of less than 1% of the key technical staff and management.

Note 2: The official media such as People's Daily, Xinhua News Agency and China Central Television.

Note 3: For example, if there are environmental incidents, the time required for the rectification to be finalized by the regulatory authorities can be defined as the time required to restore the reputation.

During the Reporting Period, there were no material, significant or general deficiencies in the internal control of financial reports or non-financial reports of the Company.

II. EXPLANATIONS ON RELEVANT MATTERS OF INTERNAL CONTROL AUDIT REPORT

The Company disclosed a standard unqualified Internal Control Audit Report for 2020 issued by Ernst & Young Hua Ming LLP, the auditor for internal control, which considered that the Company maintained effective internal control over financial reporting in all material respects. For details, please refer to the websites of the SSE and the Company.

Corporate Bonds

I. BASIC INFORMATION OF CORPORATE BONDS

Unit: Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Maturity date	Bonds balance	Interest rate (%)	Method of repayment of principal and interest	Trading venue
2017 Corporate Bonds (First Tranche) publicly issued to qualified investors by Jiangxi Copper Company Limited	17 JCC 01	143304	20 September 2017	21 September 2022	500,000,000	4.74	The interest of the bonds is payable on a yearly basis and the principal is payable upon maturity. The interest is payable annually, and the last installment of interest shall be paid together with the principal amount.	SSE

Interest payment and repayment of corporate bonds

On 23 September 2020, the Company distributed an interest of RMB47.40 (tax inclusive) to each board lots of "17 JCC 01" with par value of RMB1,000 according to the Announcement on the Coupon Rate of 2017 Corporate Bonds (First Tranche) Publicly Issued to Qualified Investors by Jiangxi Copper Company Limited. The interest was paid on 23 September 2020.

Other information on corporate bonds

(1) Options for the Company to adjust the coupon rate: The Company is entitled to determine to adjust the coupon rate for the 2 years following the end of the third year of the term of the bonds. The Company will publish an announcement on whether to adjust the coupon rate of the bonds and the adjustment rate on the 20th business day prior to the interest payment date of the third interest payment year of the bonds. If the Company does not exercise the option to adjust the coupon rate, the coupon rate for the remaining term will remain unchanged at the original coupon rate.

(2) Resale options of investors: Upon publication of the announcement by the Company on whether to adjust the coupon rate of the bonds and the adjustment rate, investors are entitled to elect to register during the announced resale registration period for investors so as to resell all or part of the bonds held by them at par value to the Company. If bonds holders do not register, they will be deemed to continue to hold the bonds and accept the aforementioned adjustment.

II. CONTACT INFORMATION OF TRUSTEE OF CORPORATE BONDS AND CREDIT RATING AGENCY

Trustee of bonds	Name	China International Capital Corporation Limited
	Business address	27–28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing, the PRC
	Contact	Shang Chen, Rui Wendong, Lian Meng
	Tel	010-65051166
Credit rating institution	Name	China Chengxin International Credit Rating Co., Ltd.*
	Business address	Floor 14, Tower C, Zhaoshang International Financial Center, No. 156, Fuxingmenwai Avenue, Xicheng District, Beijing, the PRC

Other explanation:

Not Applicable

III. USE OF PROCEEDS FROM BONDS ISSUANCE

Not applicable

IV. INFORMATION ON CREDIT RATING INSTITUTION OF CORPORATE BONDS

On 7 May 2020, China Chengxin International Credit Rating Co., Ltd.*（中誠信國際信用評級有限公司）conducted credit rating on the 2017 Corporate Bonds (First Tranche) Publicly Issued to Qualified Investors by Jiangxi Copper Company Limited issued by the Company: Corporate credit rating was AAA, maintaining the current credit rating of bonds as AAA and forward-looking rating was stable. For details, please refer to the credit rating report, i.e. Credit Rating Report of 2017 Corporate Bonds (First Tranche) and the Tracking Report (2020) Publicly Issued to Qualified Investors by Jiangxi Copper Company Limited, published on the website of the SSE (www.sse.com.cn) on 8 May 2020.

V. CREDIT IMPROVING MECHANISM, REPAYMENT PLAN AND OTHER RELATED INFORMATION FOR CORPORATE BONDS DURING THE REPORTING PERIOD

Not Applicable

VI. CORPORATE BONDS HOLDERS' MEETINGS

Not Applicable

VII. DUTY PERFORMANCE OF TRUSTEE OF CORPORATE BONDS

During the duration of corporate bonds, the bond trustee strictly complied with the stipulations in the Bond Trustee Management Agreement to continuously monitor the Company's credit status, management and use of proceeds, repayment of principal and interest of corporate bonds and supervise the Company to fulfill its obligations stipulated in the bond prospectus. The bond trustee has actively exercised its duties to safeguard the legal rights and interests of bonds holders.

The bond trustee is expected to disclose the Trustee Management Services Report for the Reporting Period in two months after the Company's annual report is disclosed. For details of the report, please refer to the website of the SSE (http://www.sse.com.cn).

VIII. ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE LAST TWO YEARS AS AT THE END OF THE REPORTING PERIOD (PREPARED IN ACCORDANCE WITH THE PRC GAAP)

Unit: Yuan Currency: RMB

Major indicators	**2020**	2019	Increase/ decrease from last year *(%)*	Reason for Change
EBITDA	**7,975,650,605**	7,355,433,357	**8.43**	
Liquidity ratio	**1.39**	1.23	**13.01**	
Quick ratio	**0.81**	0.84	**-3.57**	
Asset-liability ratio *(%)*	**52.54**	56.24	**-3.70**	
EBITDA total debt ratio	**9.28**	10.32	**-10.08**	
Interest cover ratio	**2.72**	2.68	**1.49**	
Cash interest coverage ratio	**1.18**	5.20	**-77.31**	
EBITDA interest coverage ratio	**4.10**	3.90	**5.13**	
Loan repayment rate *(%)*	**100**	100	**0.00**	
Interest coverage *(%)*	**100**	100	**0.00**	

IX. INTEREST PAYMENT FOR OTHER BONDS AND DEBT FINANCING INSTRUMENTS

Not Applicable

X. BANKING FACILITIES DURING THE REPORTING PERIOD

As at 31 December 2020, the Group together with its parent company was granted with total credit of RMB165.052 billion, RMB54.729 billion of which had been used and the balance was RMB110.323 billion.

XI. PERFORMANCE OF AGREEMENT OR COMMITMENT PROVIDED IN THE BOND PROSPECTUS DURING THE REPORTING PERIOD

During the Reporting Period, the Company strictly implemented the bond prospectus and paid the interest of bonds on time without any prejudice to the interests of bond investors.

XII. EFFECT OF SIGNIFICANT EVENTS OF THE COMPANY ON ITS OPERATION AND REPAYMENT

Not Applicable

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings given by de facto controller, shareholders, related party and purchaser of the Company and the Company and other relevant parties related to the undertaking during or continuing in the Reporting Period

Background of undertakings	Types of undertakings	Party of undertakings	Details of the undertakings	Time and term of the undertakings	Whether there is time limit of performance	Whether it was fulfilled strictly in a timely manner	Specify when not performing the undertakings timely and reasons for not performing the undertakings timely	Specify the plan if not performing the undertakings timely
Undertaking related to share restructuring								
Undertaking made in the takeover report or equity change report								
Undertaking related to material asset restructuring								
Undertaking related to initial public offering	Others	JCC	Note 1	Date of the undertaking: 22 May 1997 Term: Long term	Yes	Yes	N/A	N/A
Undertaking related to refinancing	Resolving industry competition	JCC	Note 3	Date of the undertaking: 21 December 2016 Term: Long term	Yes	Yes	N/A	N/A
Undertaking in relation to share incentive								
Other undertakings made to minority shareholders of the Company								
Other undertakings								

Note 1:

1. Under the Company Law of the PRC, the Company has full independent control over its production and operations. JCC has undertaken not to interfere with the daily operations and decisions of the Company, unless such actions are performed through the Board of the Company.

2. (I) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall make its best endeavors to ensure the independence of the Board pursuant to the requirements set out by the London Stock Exchange and the Stock Exchange. Further, JCC shall ensure that independent Directors (namely those independent of JCC and China National Non-ferrous Metals Industry Corporation) shall constitute a majority of the Board of the Company in accordance with the requirements of the London Stock Exchange.

   (II) During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC shall exercise its voting rights to ensure that no amendment to the Articles of Association of the Company that may impact the independence thereof shall be made.

3. During the period when JCC holds 30% or more voting rights in the share capital of the Company, JCC, its subsidiaries and connected companies (including the companies, enterprises and businesses controlled by JCC, except those controlled through the Company) shall not engage in any activities or businesses that are or may be in direct or indirect competition with the Company.

4. JCC has undertaken to assist the Company in obtaining approvals from government agencies with respect to the businesses thereof.

5. In the event that JCC carries out actions such as transfers and disposals of the land use rights of Dexing Copper Mine, Yongping Copper Mine and Guixi Smelter, the Company shall have the preemptive right.

6. JCC gives an option to the Company that the Company can purchase from JCC any mines, smelters or refineries that are currently or will be owned and/or operated in the future or any rights of mining or exploration that are currently or will be held in the future by JCC.

Note 2: Details of dividend undertakings

1. The Company can distribute dividend by way of cash, shares or the combination of cash and shares; and can distribute interim dividend according to the actual profitability and the capital requirement of the Company;

2. According to the provisions of the laws, regulations and the Articles of Association, conditional upon the cumulative distributable profits being positive after making up of the losses, deduction of the statutory reserve fund and provident fund in full amount, and having sufficient profits and cash to support the normal production and operation of the Company, in each year, the profit distribution by way of cash shall be not less than 10% of the distributable profits realized for the year, and the accumulated distributable profit distributed by way of cash in the last three years shall be not less than 30% of the average annual distributable profits realized in the last three years;

3. In addition to satisfying the minimum cash dividend distribution, the Company can implement share dividend distribution. The proposal for share dividend distribution should be proposed by the Board and put forward to the shareholders' meeting for approval.

Note 3: As at 21 December 2016, the copper processing business conducted by JCC Copper Strip Company Limited (江西銅業集團銅板帶有限公司) ("**Copper Strip Company**"), a subsidiary of JCC, and the Company and its holding subsidiaries are identical or similar to a certain extent but there is no actual competition between them. JCC undertakes as follows:

1. From 21 December 2016, JCC shall actively transfer its controlling interest or all interest in Copper Strip Company to other independent third parties in compliance with laws before the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company.

2. At the time when the operating situation of Copper Strip Company turns better and fulfils the condition for being injected into the Company, and in the event that JCC has not yet transferred the controlling interest or all interest of Copper Strip Company to independent third parties, JCC undertakes that, provided that the interests of investors of the Company are protected, it shall commence the relevant work to inject such interest into the Company within three years after Copper Strip Company fulfils the conditions for being injected into the Company.

3. JCC shall continue to fulfil the various obligations under the Option-to-Purchase Agreement and Undertaking given by Jiangxi Copper Corporation to Jiangxi Copper Company Limited.

(II) Profit forecast were made for the assets or projects of the Company and the Reporting Period fell in the forecast period of profit, the Company gave an explanation on whether its assets or projects have met the original profit forecast and the reasons thereof

Not applicable

(III) Fulfillment of results guarantee and its effects on goodwill impairment

Not applicable

II. EMBEZZLEMENT OF FUNDS AND REPAYMENT OF DEBT DURING THE REPORTING PERIOD

Not applicable

III. THE COMPANY'S EXPLANATION FOR "NON-STANDARD AUDITING REPORT" GIVEN BY THE AUDITORS

Not applicable

IV. ANALYSIS AND EXPLANATION OF THE COMPANY ON THE REASONS AND IMPACT OF THE CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATION OR CORRECTION TO MATERIAL ACCOUNTING ERRORS

(I) Analysis and explanation of the Company on the reasons and impact of the change in accounting policy and accounting estimation

Not applicable

(II) Analysis and explanation of the Company on the reasons and impact of the correction to material accounting errors

Not applicable

(III) Communication with the former accounting firm

Not applicable

V. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

Unit: Yuan Currency: RMB

	Current auditors
Name of domestic auditor	Ernst & Young Hua Ming LLP
Remuneration for domestic auditor	6,100,000
Years of audit services provided by the domestic auditor	3 years
Name of overseas auditor	Ernst & Young
Remuneration for overseas auditor	6,600,000
Years of audit services provided by the overseas auditor	3 years

	Name	Remuneration
Auditor for internal control	Ernst & Young Hua Ming LLP	1,280,000

The remuneration of the Company's auditor for the year 2020 are set out as follows:

	2019
	RMB '000
Audit fees$^{(Note\ 1)}$	13,980
Non-audit service fees$^{(Note\ 2)}$	1,570.4
	15,550.4

Notes:

1. Including the fees rendered for the audit of internal control over financial reporting as required by C-SOX.

2. Including the fees for tax compliance and advisory services and preparation of the environmental, social and governance report of the Company for the year 2020.

Appointment and removal of accounting firms

Not applicable

Explanation on change of the accounting firm for the past three years

Not applicable

VI. RISK OF SUSPENSION OF LISTING

(I) Reasons for suspension of listing

Not applicable

(II) Measures to be adopted by the Company

Not applicable

VII. DELISTING AND ITS REASONS

Not applicable

VIII. INSOLVENCY OR RESTRUCTURING

Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

Brief description and type of litigation and arbitration	Reference for inspection
Litigation filed by Bangdi Auto Technology Company Limited (幫的汽車科技有限公司) against Shenzhen Jiangxi Copper Marketing Company Limited (深圳江銅營銷有限公司), a wholly-owned subsidiary of the Company (case of contract disputes)	The announcement of the Company dated 12 June 2019
Litigation filed by Jiangxi Copper International Trading Co., Ltd. (江銅國際貿易有限公司), a subsidiary held as to 59.05% by the Company, against Shanghai Eagle Investment Group Co., Ltd. (上海鷹悦投資集團有限公司) and its guarantors (case of contract disputes)	The announcement of the Company dated 21 June 2019
Supplemental disclosure of the litigation filed by Jiangxi Copper International Trading Co., Ltd. (江銅國際貿易有限公司), a subsidiary held as to 59.05% by the Company, against Shanghai Eagle Investment Group Co., Ltd. (上海鷹悦投資集團有限公司) and its guarantors (case of contract disputes)	The supplemental announcement of the Company dated 21 June 2019
Litigation filed by Shanghai Jiangxi Copper Trading Company Limited (上海江銅營銷有限公司), a wholly-owned subsidiary of the Company, against Shandong Xinhui Copper Materials Co., Ltd. (山東鑫匯銅材有限公司) and its guarantor (case of contract disputes)	The announcement of the Company dated 30 July 2019

X. PUNISHMENT ON THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER, AND OFFEROR AND RECTIFICATION

Not applicable

XI. CREDIT CONDITIONS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

Not applicable

XII. SHARE OPTION SCHEME, EMPLOYEE SHAREHOLDING PLAN OR OTHER EMPLOYEE INCENTIVES AND EFFECTS

(I) Relevant share option scheme disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

(II) Equity incentive not disclosed in extraordinary announcements or with subsequent development

1. Share option scheme

Not applicable

2. Employee shareholding plan

Not applicable

3. Other employee incentives

Not applicable

XIII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected transactions in relation to daily operations

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Brief description	Reference for inspection
The Company receives financial support from JCC, the controlling shareholder	The announcement of the Company dated 20 March 2020
Announcement of the Company on the guarantee provided by JCC, the controlling shareholder, for the significant joint venture of the Company	The announcement of the Company dated 22 May 2020
Announcement of the Company on the signing of the continuing connected transaction and connected transaction contracts with JCC, the controlling shareholder	The announcement of the Company dated 27 September 2020

2. **Events disclosed in extraordinary announcements with subsequent development or changes during implementation**

Not applicable

3. **Connected transactions**

During the Reporting Period, details of connected transactions carried out by the Company are as follows:

Unit: Yuan Currency: RMB

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Sales of commodities	Copper rods	Market price	52,072.86	503,887,955	0.86	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Copper cathodes	Market price	52,805.34	445,191,881	0.27	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Ancillary industrial products	Market price		100,564,647	2.34	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Lead materials	Market price		86,544,231	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Ancillary materials	Market price		9,736,469	0.12	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Sulphuric acid and steel balls	Market price		4,630,220	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Zinc concentrates	Market price		38,167,507	100	Payment upon acceptance		
JCC	Controlling shareholder	Sales of commodities	Blister copper	Market price		3,839,325	0.26	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Ancillary industrial products	Market price		150,186,977	3.67	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Copper concentrates	Market price		11,362,034	0.04	Payment upon acceptance		
JCC	Controlling shareholder	Purchase of commodities	Sulphuric acid and steel balls	Market price		6,677,044	0.48	Payment upon acceptance		
JCC	Controlling shareholder	Supply of services	Construction service	Industry standards		127,163,923	36.29	Settlement according to project progress		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Supply of services	logistics services	Standard passenger and cargo rates of Jiangxi Province		19,204,203	8.41	Monthly payment		
JCC	Controlling shareholder	Supply of services	Repair and maintenance service	Industry standards		28,105,642	12.05	Monthly payment		
JCC	Controlling shareholder	Cost of public utilities such as water, electricity and gas (sales)	Electricity service	Cost plus tax		30,046,383	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Rental from public utilities	Shared on a cost basis in accordance with the proportion of staff		7,906,745	34.38	Monthly payment		
JCC	Controlling shareholder	Cost of public utilities such as water, electricity and gas (sales)	Water service	Cost plus tax		177,785	100	Monthly payment		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Borrowings	Cumulative provision of loans	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		1,793,650,000	100	Payment on terms set out in the loan agreement		
JCC	Controlling shareholder	Borrowings	Interest received from loans provided	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		56,502,983	100	Monthly or quarterly payment		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Loans	Interest paid for deposits made	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		115,584,360	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Borrowing of funds	Acceptance of short-term borrowing	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		7,900,000,000	23.39	Monthly or quarterly payment		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Borrowing of funds	Interest paid for acceptance of borrowing	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		169,405,129	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Finance leasing	Repayment of finance leasing	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		247,206,793	100	Monthly or quarterly payment		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Finance leasing	Acceptance of sale and leaseback	Based on the benchmark lending rate promulgated by the People's Bank of China or deposit terms no more favorable than the similar terms offered to JCC by other domestic financial institutions or credit cooperatives		19,042,772	100	Monthly or quarterly payment		
JCC	Controlling shareholder	Acceptance of labour services	Labour service	Market price		67,151,893	100	Monthly payment		
JCC	Controlling shareholder	Rent and lease	Land lease expense	Market price		158,116,000	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of labour services	Acceptance of sanitation and greening service	Market price		2,997,279	100	Monthly payment		
JCC	Controlling shareholder	Acceptance of agency services	Brokerage agency services for commodity derivative contracts	Market price		5,511,265	17.47	Payment upon completion of transaction		

Connected party	Nature of the Connection	Category of connected transaction	Details of connected transaction	Pricing policy of connected transaction	Price of connected transaction	Amount of connected transaction	Percentage of the amount involved in transactions of the same category (%)	Payment method of connected transaction	Market price	Reason for the difference between trading price and market price
JCC	Controlling shareholder	Acceptance of labour services	Repair and maintenance service	Industry standards		50,852,515	21.81	Monthly payment		
JCC	Controlling shareholder	Acceptance of labour services	Welfare and medical services	Industry standards		31,997	0.02	Monthly payment		
JCC	Controlling shareholder	Acceptance of labour services	Procurement of spare parts and processed parts	Market price		116,474,488	12.18	Payment upon acceptance		
JCC	Controlling shareholder	Acceptance of labour services	Construction services	Industry standards		62,475,420	17.83	Settlement according to project progress		
Total				/	/	12,338,395,865		/	/	

Details of substantial sales return

During the Reporting Period, there was no substantial sales return.

Explanation on connected transactions

During the Reporting Period, the main and frequent connected transactions between the Company and its connected parties amounted to RMB12,338 million, including purchase transactions of RMB632 million and selling transactions of RMB1,405 million and finance lease of RMB266 million. Inventory transaction of finance companies amounted to RMB1,966 million and borrowing of funds amounted to RMB8,069 million.

Agreement Details of Connected Transaction and Continuing Connected Transaction

(1) To satisfy the development needs and working capital demands of the Company and effectively reduce the financing costs of the Company, on 20 March 2020, the Company entered into a financial assistance agreement with JCC, pursuant to which JCC agreed to provide financial assistance to the Company in the amount of RMB1,000,000,000, the interest rate is 1.89% and the term is from 24 March 2020 to 22 June 2020

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(2) In order to propel the construction of the Baku Tower tungsten mine project in the Republic of Kazakhstan, on 22 May 2020, Jiaxin International Resources Investment Limited (佳鑫國際資源投資有限公司) ("**Jiaxin International**"), a material joint venture of the Company, which is held as to 49% by Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司), a wholly-owned subsidiary of the Company (as the borrower), and Offshore Banking Department of China Merchants Bank Company Limited (as the lender) entered into an offshore credit agreement (the "**Offshore Credit Agreement**"). As guarantee under the Offshore Credit Agreement, a guarantee cooperation agreement was entered into between JCC and China Merchants Bank Company Limited (Nanchang Branch) ("**CMB Nanchang**"), pursuant to which CMB Nanchang agreed to provide crossborder financing bank guarantee to Jiaxin International for the loan under the Offshore Credit Agreement, and JCC agreed to provide counter-guarantee with an amount of €202,000,000 for the bank guarantee issued by CMB Nanchang.

(3) **Comprehensive Supply and Services Agreements**

The Company and JCC entered into Comprehensive Supply and Services Agreement I and Comprehensive Supply and Services Agreement II on 29 August 2017, respectively, pursuant to which JCC and its subsidiaries from time to time (other than the Group) supplied various materials and provided industrial and other services to the Group, while the Company supplied various materials and provided industrial and other services to JCC and its subsidiaries from time to time (other than the Group). The Comprehensive Supply and Services Agreement I and the Comprehensive Supply and Services Agreement II will be valid from 1 January 2018 to 31 December 2020. The proposed caps of the Comprehensive Supply and Services Agreement I and the Comprehensive Supply and Services Agreement II for the financial year ended 31 December 2020 shall not exceed RMB507,700,000 and RMB4,009,200,000, respectively.

The Company and JCC entered into Comprehensive Supply and Services Agreement I and Comprehensive Supply and Services Agreement II on 27 September 2020, respectively, pursuant to which, JCC and its subsidiaries from time to time (other than the Group) supplied various materials and provided consolidated services to the Group, while the Company supplied various materials and provided consolidated services to JCC and its subsidiaries from time to time (other than the Group). Comprehensive Supply and Services Agreement I and Comprehensive Supply and Services Agreement II will be valid from 1 January 2021 to 31 December 2023.

The proposed caps of Comprehensive Supply and Services Agreement I for each of the three financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 will not exceed RMB2,111,280,000, RMB2,148,780,000 and RMB2,244,080,000, respectively.

The proposed caps of Comprehensive Supply and Services Agreement II for each of the three financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 will not exceed RMB2,372,980,000, RMB2,385,910,000 and RMB2,436,170,000, respectively.

The Company believes that JCC with its subsidiaries from time to time (other than the Group) are beneficial to the reasonable allocation and adequate utilisation of the existing assets of each party, the realisation of resource sharing and mutual complement of advantages of each party, so as to enhance sustainable stability and development of production and operation of the Group, reduce overlapping investment and save expenses of the Group, as well as increase the comprehensive efficiency of the Group. The pricing policies for the connected transactions between the Company and JCC were determined based on the priority from the national price, market price/industry price, prices quoted on Shanghai Futures Exchange, costs plus applicable taxes, or a combination of certain pricing bases as mentioned above.

(4) Land Leasing Agreement

Due to historical reasons, some of the office buildings and factories of the Group are built on land which are owned by JCC and its subsidiaries from time to time (other than the Group). The land leasing approach adopted by the Group to JCC and its subsidiaries from time to time (other than the Group) can help reduce the investment of the Group. On 29 August 2017, the Company, as the lessee, entered into the Land Leasing Agreement with JCC, as the lessor, for a term of three years, pursuant to which, JCC agreed to let the land use right of the lands covering an area of approximately 51,234,036.77 square meters to the Company, and the contract is valid from 1 January 2018 to 31 December 2020. The proposed caps of the Land Leasing Agreement for the year ended 31 December 2020 were not to exceed RMB200,134,000.

On 27 September 2020, the Company, as the lessee, entered into the Land Use Rights Leasing Agreement with JCC, as the lessor, for a term of three years, pursuant to which, JCC agreed to let the land use right of the lands covering an area of approximately 50,841,612.77 square meters to the Company, and the contract is valid from 1 January 2021 to 31 December 2023. The annual rent is RMB196,971,013.04 and the actual rent is calculated on the basis of the actual area used by the Group. According to IFRSs 16, the value of the right-of-use asset recognized by the Group in respect of the Land Use Rights Leasing Agreement is RMB515,141,822.06.

(5) Financial Assistance Agreement

JCC Finance Company Limited ("**JCC Finance**"), a subsidiary of the Company, entered into the financial assistance agreement with JCC on 30 December 2019 (the "**Financial Assistance Agreement**"). Pursuant to the Financial Assistance Agreement, JCC and its subsidiaries from time to time (excluding the Group) agreed to provide financial assistance to JCC Finance by transferring part of its deposit and loan from other financial institutions to JCC Finance while JCC Finance agreed to provide financial services to JCC and its subsidiaries from time to time (excluding the Group) on an ongoing basis. Such services include: cash deposit services; settlement services; and credit services. The maximum daily balance of credit services to be provided by JCC Finance to JCC and its subsidiaries from time to time (excluding the Group) for each of the three financial years commencing from 1 January 2020 to 31 December 2022 will not exceed RMB2,000,000,000. According to the Financial Assistance Agreement, JCC and its subsidiaries from time to time (excluding the Group) will transfer net deposit (i.e. total daily deposit balance of JCC and its subsidiaries from time to time (excluding the Group)) to JCC Finance, which forms actual financial assistance to JCC Finance, supplements the available financial resources of JCC Finance, enhances the profitability of JCC Finance and hence enhances the profitability of the Company.

(6) Finance Lease Framework Agreement

The Company and Shenzhen Finance Leasing Company Limited ("**Shenzhen Finance**"), a subsidiary of JCC, entered into the finance lease framework agreement on 30 December 2019 (the "**Finance Lease Framework Agreement**"). Pursuant to which Shenzhen Finance and its subsidiary ("**Shenzhen Finance Group**") shall, at the request of the Group, provide finance lease services, including (i) direct lease service; (ii) sale and lease-back service; and (iii) entrusted lease service, to the Group. The aggregate rent payable by the Group to Shenzhen Finance Group in respect of the finance lease services contemplated thereunder, shall not exceed RMB1,900,000,000 for each financial year from 1 January 2020 to 31 December 2022. Under IFRS No. 16, finance leases under the Finance Lease Framework Agreement where the Group is the lessee will be recognised as right-of-use assets. The annual caps of the finance leases under the Finance Lease Framework Agreement for the three financial years ending 31 December 2022 are RMB1,836,000,000, respectively. The transactions contemplated under the Finance Lease Framework Agreement are beneficial to the Group in expanding leasing channel, lowering investment risks and reducing financial pressure. Through personalised finance lease services solution provided to the Group, it can effectively increase the mobility of the assets of the Company and optimize its asset structure.

(7) Mutual Guarantees Agreements

On 30 December 2019, Heding Copper, a subsidiary of the Company, and Fuye Group (which hold 40% of the issued share capital of Heding Copper, being the substantial shareholder) as well as Jiangxi Jinhui Environmental Technology Co., Ltd. (江西金匯環保科技有限公司) ("**Jiangxi Jinhui**"), Jiangxi Hefeng Environmental Technology Co., Ltd. (江西和豐環保科技有限公司) ("**Jiangxi Hefeng**") and Zhejiang Fuhe Zhiye Co., Ltd.* (浙江富和置業有限公司) ("**Zhejiang Fuhe Zhiye**"), which are beneficially owned by Fuye Group, entered into the mutual guarantees agreement (the "**Original Mutual Guarantees Agreement**"), pursuant to which Heding Copper and Fuye Group agreed that the aggregated annual balance amount of guarantee for each other's obligations in respect of loan financing facilities which they may respectively obtain from financial institutions for the period from 1 January 2020 to 31 December 2020 shall not exceed RMB1,600,000,000 respectively (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group to each other prior to 1 January 2020 and were valid during the term of the Original Mutual Guarantees Agreement), provided that the execution of each loan facility shall take place within the period from 1 January 2020 to 31 December 2020 and the term of each loan facility shall not exceed 12 months. Jiangxi Jinhui, Zhejiang Fuhe Zhiye and Jiangxi Hefeng agreed to act as the counter-guarantors of Fuye

Group, of which, they shall, with all their assets, provide counter-guarantee to Heding Copper in respect of the guarantees provided by Heding Copper for the bank loan contracts signed by Fuye Group from 1 January 2020 to 31 December 2020 pursuant to the Original Mutual Guarantees Agreement jointly and severally. The execution of the Original Mutual Guarantees Agreement enables Heding Copper to receive financing from lenders in order to support its ordinary and usual course of business.

In order to meet the actual production and operation needs of Heding Copper, lower the finance cost, and with an intention to further increase mutual financing support between Heding Copper and Fuye Group, on 29 December 2020, Heding Copper, Fuye Group, Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye entered into the new mutual guarantees agreement (the "**New Mutual Guarantees Agreement**") and the Original Mutual Guarantees Agreement was terminated since 1 January 2021. Heding Copper and Fuye Group agreed that the maximum aggregated annual balance amount (which is also the maximum daily balance) of guarantees for each other's obligations in respect of loan facilities which they may respectively obtain from financial institutions for the period from 1 January 2021 to 31 December 2022 shall not exceed RMB1,600,000,000 (which shall include the amount of guarantees that were provided by Heding Copper and Fuye Group for each other pursuant to the Original Mutual Guarantees Agreement prior to 1 January 2020 and are valid during the term of the New Mutual Guarantees Agreement), provided that the execution of each loan facility contract shall take place within the period from 1 January 2021 to 31 December 2021 and the term of each loan facility shall not exceed 12 months. Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye agreed to act as the counter-guarantors of Fuye Group, pursuant to which, they shall jointly and severally provide counter-guarantee to Heding Copper with all their assets for guarantees provided by Heding Copper to Fuye Group which are included in the bank loans agreement entered into during the period from 1 January 2021 to 31 December 2021, under the New Mutual Guarantees Agreement.

Details of guarantees are set out in pages 145 to 146 in the report.

The abovementioned items (3) to (7) are reviewed by the independent non-executive Directors of the Company every year, confirming that: (i) the transactions were entered into in the ordinary and usual course of business of the Group; (ii) the transactions were entered into and performed on normal commercial terms or on the terms same as (or favorable than) that from independent third parties; and (iii) the transactions were conducted in accordance with relevant transaction agreements, the terms of which were fair and reasonable, and were in the interests of the shareholders of the listed company as a whole.

The auditors of the Company were appointed to report on the connected transactions of the Group in accordance with "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" conducted by Hong Kong Standard on Assurance Engagements 3000 and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Auditors have issued a letter confirming that nothing has come to their attention causing them to believe that the abovementioned continuing connected transactions for the year ended 31 December 2020: (1) were not approved by the Board; (2) were not carried out in accordance with the pricing policies of the Group in all material aspects for the transactions that involved the provision of products and services by the Group; (3) were not entered into in accordance with the agreements governing such transactions in all material aspects; and (4) exceeded the annual caps as disclosed in the announcements for the abovementioned continuing connected transactions by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange in accordance with Rule 14A.57 of the Listing Rules.

Other Transactions

Not applicable

(II) Connected transaction from assets or equity acquisition or sale

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

4. Where agreed results are involved, the results in the Reporting Period shall be disclosed

Not applicable

(III) Material connected transactions of joint overseas investment

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Events not disclosed in extraordinary announcements

Not applicable

(IV) Connected credits and liabilities

1. Events disclosed in extraordinary announcements and without subsequent development or changes during implementation

Not applicable

2. Events disclosed in extraordinary announcements with subsequent development or changes during implementation

Not applicable

3. Events not disclosed in extraordinary announcements

Unit: Yuan Currency: RMB

Related party	Relationship	Funds provided to connected parties Opening balance	 Amount incurred	 Closing balance	Funds offered by connected parties to the Company Opening balance	 Amount incurred	 Closing balance
JCC	Controlling shareholders	121,800	228,484	**187,807**	182,029	6,272,411	**275,099**
Total		121,800	228,484	**187,807**	182,029	6,272,411	**275,099**

Reasons for connected claim and debt	On 31 December 2019, JCC Finance Company, a wholly-owned subsidiary of the Company, and JCC entered into the Financial Assistance Agreement, the effective period of which shall be from 1 January 2020 to 31 December 2022. According to the Financial Assistance Agreement, a proportion of deposits and loans of JCC which were deposited in financial institutions for the years of 2020, 2021 and 2022 would be transferred to Finance Company as deposits and loans in accordance with market principles, among which, the daily balance of the transferred loans (referring to comprehensive credit services provided to member companies of JCC, including the provision of loans, discounted bills, commercial note acceptance, provision of letters of guarantee, provision of overdraft facility, account receivable factoring and finance lease) would not exceed RMB2 billion; and the daily balance of loans should not exceed the daily balance of transferred deposits in order to create "net deposit", and the transferred deposits shall serve as guarantee to the transferred loans.

Impacts of connected claim and debt on the operating results and financial position of the Company	JCC transfers the net deposits, which forms actual financial assistance to Finance Company, supplements the available financial resources of Finance Company, enhances the profitability of Finance Company and hence enhances the profitability of the Company. Finance Company and the Company adopt adequate risk control measures to warrant Finance Company and the Company would not record losses in the connected transaction. The terms of the Financial assistance Agreement are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

XIV. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracts and leases

1. Custody

Not applicable

2. Contracts

Not applicable

3. Leases

Not applicable

(II) Guarantees

Unit: 0'000 Yuan   Currency: RMB

External guarantees (excluding guarantees for subsidiaries)

Guarantor	Relation between the Guarantor and the Listed Company	Guarantee	Guarantee amount	Guarantee date (execution date of the contract)	Start date of guarantee	End date of guarantee	Type of guarantee	Guarantee fulfilled or not	Guarantee completed or not	Amount of overdue guarantee	Counter Guarantee Available or not	Related party guarantee or not	Nature of connection
Zhejiang Jiangtong Fuye Heding Copper Co., Ltd.	Controlled subsidiary	Zhejiang Fuye Group Co., Ltd.	134,460.5	31 December 2019	1 January 2020	31 December 2021	Joint and several liability guarantee	No	No	–	Yes	Yes	Shareholders

Total amount of guarantees incurred during the Reporting Period (excluding those to subsidiaries)	134,460.5
Total balance of guarantee at the end of the Reporting Period (A) (excluding those to subsidiaries)	53,784.2

Guarantees provided by the Company and its subsidiaries to subsidiaries

Total amount of guarantees for subsidiaries incurred during the Reporting Period	4,165
Total balance of guarantee for subsidiaries at the end of the Reporting Period (B)	0

Total amount of guarantees provided by the Company (including those to subsidiaries)

Total amount of guarantees (A+B)	53,784.2
Total amount of guarantees over the net assets of the Company (%)	0.83
Including:	
Amount of guarantees provided to shareholders, de facto controllers and their connected parties (C)	0
Amount of debt guarantees directly or indirectly provided to guaranteed parties with a debt to asset ratio exceeding 70% (D)	0
Amount of total guarantees exceeding 50% of net assets (E) 0	0
Total amount of the above three amount of guarantees (C+D+E)	0
Explanation on possible joint and several liability for liabilities settlement in case of outstanding guarantee	
Explanation on guarantee	1. The above guarantees are all corporate credit guarantees, and do not involve mortgage guarantees, pledge guarantees, etc.; 2. The total guarantee amount of the Company includes the balance of external guarantee of the Company and its subsidiaries at the end of the Reporting Period (excluding the guarantee to the subsidiaries) and the balance of the guarantee of the Company and its subsidiaries to subsidiaries, among which, the balance of guarantee of a subsidiary represents the total external guarantee of that subsidiary multiplied by the proportion of the Company's shareholding in that subsidiary.

Significant Events

1. On 30 December 2019, the sixteenth meeting of the eighth session of the Board reviewed and approved the external guarantee of Heding Copper, a controlled subsidiary of the Company (40% shareholding). In order to meet the needs of the actual production and operation of Heding Copper and reduce the financing cost, Heding Copper and Fuye Group intended to further increase mutual financing support. With Heding Copper acting as Party A, Fuye Group acting as Party B, Jiangxi Jinhui, Jiangxi Hefeng and Zhejiang Fuhe Zhiye acting as Party C, the parties entered into the Mutual Guarantee Agreement after negotiation, agreeing that during the period from 1 January 2020 to 31 December 2021, the accumulated balance of mutual guarantee (i.e., the daily balance limit) of Party A and Party B shall not exceed RMB1,600 million. For the avoidance of doubt, the guarantee balance of the guarantee contracts signed by both parties before 1 January 2020 but still valid during the above period are also included in the maximum limit for the year. The time limit for signing each bank loan contract is from 1 January 2020 to 31 December 2020, and the loan period for each loan business shall not exceed 12 months. Party C acted as the counter-guarantor of Fuye Group and undertook counter-guarantee with joint and several liabilities to Heding Copper with all of their own assets.

2. Within the scope of the Mutual Guarantee Agreement, Fuye Group provided credit guarantees of RMB1,600 million for Heding Copper, and an additional credit guarantee in the amount of RMB2,129.39 million. The total credit guarantee amount was RMB3,729.39 million.

3. Humon Smelting, the Company's subsidiary, undertook a general guarantee liability of RMB2.65 million for its subsidiary Qixia Jinxing Mining Co., Ltd., and a general guarantee liability of RMB39 million for its subsidiary Hangzhou Jiantong Group Co., Ltd. The total guarantee amount was RMB41.65 million and a guarantee balance of RMB0.

(III) Entrusted cash assets management

1. Entrusted wealth management

(1) Overall entrusted wealth management

Not applicable

Others

Not applicable

(2) Single entrusted wealth management

Not applicable

Others

Not applicable

(3) Provision for impairment of entrusted wealth management

Not applicable

2. Entrusted loans

(1) Overall entrusted loans

Not applicable

Others

Not applicable

(2) Single entrusted loans

Not applicable

Others

Not applicable

(3) Provision for impairment of entrusted loans

Not applicable

3. Others

Not applicable

(IV) Other material contracts

Not applicable

XV. ACTIVE PERFORMANCE OF SOCIAL RESPONSIBILITY

(I) Poverty alleviation of the listed company

Not applicable

(II) Social responsibility efforts

Please refer to the 2020 Social Responsibility Report of Jiangxi Copper Company Limited disclosed on the Stock Exchange and the SSE on 29 March 2021 for details. The website of SSE is www.sse.com.cn.

(III) Environment

1. Explanation on environmental protection of the Company and its subsidiaries falling into the category of major pollutant-emission units designated by national environmental authorities

(1) Information on discharge of pollutants

Names of the Company	Names of major pollutants	Total emissions approved *(t/a)**	Total emissions *(t/a)*	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Chengmenshan Copper Mine	pH		/	7.87 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	Yong'an Levee of the Yangtze River
	COD	168.3	163.91	28.74				
	Ammonia nitrogen	7.293	5.73	1.07				
	Total copper	2.87	0.40	0.08				
Dexing Copper Mine	pH			6.93 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	4	In the mining area
	COD	480	427.58	19.06				
	Ammonia nitrogen	108.11	81.77	3.65				
	Suspended matter		996.91	44.44				
	Total copper		0.090	0.004				
	Total lead		0.109	0.005				
	Total zinc		0.301	0.0134				
	Total cadmium		0.036	0.0016				

Names of the Company	Names of major pollutants	Total emissions approved *(t/a)**	Total emissions *(t/a)*	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Jiangxi Copper (Dexing) Chemical Company Limited	Sulfur dioxide	446.43	139.9	132.99mg/m^3	Standards in the "Emission Standard of Pollutants for Sulfuric Acid Industry"(GB26132- 2010); Secondary standards of the "Emission Standard of Air Pollutants for Industrial Kiln and Furnace" (GB9078-1996); "Integrated Wastewater Discharge Standard" (GB8978-1996)	Organized emissions after meeting standards	7	In the plant area
	Smoke dust	2.54	1.367	22.82mg/m^3				
	COD	1.5	0.533	37.00				
Guixi Smelter	COD	600	150	23.64	Standards in the "Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry" (GB25467-2010)	Organized emissions after meeting standards	10	In the plant area
	Ammonia nitrogen	80	14.851	2.34				
	Arsenic	5	0.52	0.082				
	Lead	5	0.635	0.10				
	Cadmium	1	0.159	0.025				
	Mercury	0.5	0.0024	0.00038				
	Sulfur dioxide	6467.62	1181	91.38mg/m^3				
	Smoke (powder) dust	847	206.8	16.00mg/m^3				
Jiangxi Copper Yates Copper Foil Company Limited	pH		/	7.94 (Dimensionless)	Table 2 of Discharge Standard for Electroplating Wastewater (GB21900-2008); "Integrated Emission Standard of Air Pollutants" (GB16297-1996); "Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	Organized emissions after meeting standards	21	In the plant area
	COD		5.709	32.18				
	Ammonia nitrogen		1.353	7.6275				
	Suspended matter		6.209	35				
	Total copper		0.0463	0.261				
	Total zinc		0.03185	0.1795				
	Total cadmium	0.094717	0.03593	0.2025				
	Hexavalent chromium		0.00568	0.032				
	Sulfuric acid mist		12.44	1.037(mg/m^3)				
	Chromic acid mist		0.0514	0.02(mg/m^3)				

Names of the Company	Names of major pollutants	Total emissions approved *(t/a)**	Total emissions *(t/a)*	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Jiangxi Copper (Longchang) Precise Pipe Company Limited	pH		/	6.44 (Dimensionless)	Management standards of Qingshan Lake Sewage Treatment Plant (Nanchang city)	Organized emissions after meeting standards	1	In the plant area
	CODcr		0.4809	37.000				
	Ammonia nitrogen		0.0181	1.390				
	SS		0.8059	62.000				
	BOD5		0.1235	9.500				
	Animal and vegetable oils		0.0066	0.510				
Jiangtong-Wengfu Chemical Industry Company Limited	Sulfur dioxide	448	124.64	128.1mg/m^3	Emission Standard of Pollutants for Sulfuric Acid Industry (GB26132-2010)	Organized emissions after meeting standards	2	In the plant area
Wushan Copper Mine	pH		/	7.39 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	2	In the mining area
	COD	430	247.26	38.93				
	Ammonia nitrogen	60	16.8	2.645				
	Suspended matter		187.256	29.48				
	Total copper	10	0.3813	0.06003				
	Total zinc		0.3737	0.05884				
	Total lead	2.7225	0.027489	0.00433				
	Total cadmium	0.5445	0.008404	0.00132				
	Total arsenic	2.7225	0.00185	0.000291				
JCC Yinshan Mining Company Limited	pH		/	6.98 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	In the mining area
	COD	86.6	81.98	28.40				
	Ammonia nitrogen	9.7	7.22	2.50				
	Suspended matter		82.16	28.46				
	Total copper		0.03728	0.013				
	Total lead		0.01527	0.005				
	Total zinc		0.71878	0.2490				
	Total cadmium		0.00373	0.0010				
	Total arsenic		0.05232	0.018				

Names of the Company	Names of major pollutants	Total emissions approved *(t/a)**	Total emissions *(t/a)*	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Dongtong Mining	pH		/	7.43 (Dimensionless)	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	1	In the mining area
	COD	87.56	25.610	25.158				
	Suspended matter		10.740	10.552				
	Total copper		0.073	0.072				
	Total zinc		0.090	0.088				
Jiangxi Copper (Qingyuan) Company Limited	COD	0.528	0.42	9.3mg/L	"Emission Standard of Pollutants for Regenerated Copper, Aluminium, Lead and Zinc Industry" (GB31574-2015) "Emission Standard of Air Pollutants for Boilers" (GB13271-2014)	Organized emissions after meeting standards	5	In the mining area
	Ammonia nitrogen	0.132	0.081	1.8mg/L				
	Sulfur dioxide	65.283	7.999	34.72mg/m^3				
	Smoke (powder) dust	25.349	1.583	6.87 mg/m^3				
	Nitrogen oxides		42.541	184.64 mg/m^3				
	Arsenic and its compounds	0.4	0.0165	0.0717 mg/m^3				
	Lead and its compounds	2	0.1433	0.622 mg/m^3				
	Cadmium and its compounds	0.05	0.0068	0.0295 mg/m^3				
	Sulfuric acid mist		0.0646	0.67 mg/m^3				
Yongping Copper Mine	COD	375.5	301.29	21.13	Standards in the table 2 of the "Emission Standard of Industrial Pollutants for Copper, Nickel, Cobalt" (GB25467-2010)	Organized emissions after meeting standards	3	In the mining area
	Ammonia nitrogen	27.272	5.86	0.47				
	Total copper		0.42	0.04				
	Total lead		1.19	0.09				
	Total zinc		0.76	0.07				
	Total cadmium		0.27	0.03				
	Suspended matter		223.04	20.65				
	PH		/	7.32 (Dimensionless)				

Significant Events

Names of the Company	Names of major pollutants	Total emissions approved *(t/a)**	Total emissions *(t/a)*	Emission concentration *(mg/L)**	Pollutant emission standards implemented	Method of emission	Number of outlets	Distribution of outlets
Humon Smelting	SO2	/	63.22t	6.94mg/m^3	Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB37/2376-2019)	Organized emissions after meeting standards	9	In the plant area
	NOx	/	105.81t	12.03mg/m^3			9	
	Particulates	/	34.87t	3.36mg/m^3			6	
	Arsenic	/	309.17kg	0.04mg/m^3			11	
	Lead	/	542.06kg	0.06mg/m^3			11	
Weihai Humon	SO2	/	2.599t	54mg/m^3	Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB37/2376-2019)	Organized emissions after meeting standards	4	In the plant area
	NOx	/	113.767t	76mg/m^3			4	
	Particulates	/	16.861t	13mg/m^3			4	
	Fluoride	/	1.469t	4.0mg/m^3			2	
	Ammonia	/	126.556t	34kg/h	"Emission Standards for Odor Pollutants" (GB14554-1993),		3	
	Lead	/	30.3kg	0.094mg/m^3	" Shandong Industrial Kiln and Furnace Air Pollutant Emission Standards" (DB37/2375-2019)		10	
	Arsenic	/	18.9kg	0.186mg/m^3			10	
Qixia Jinxing	Particulates	/	12.55kg	7.8mg/m^3	Integral Emission Standard for Regional Air Pollutants in Shandong Province" (DB37/2376-2019)	Organized emissions after meeting standards	6	In the plant area

Explanation: The pollutants with their corresponding approved emissions shown in the table are the targets specially controlled and managed by the state and local government, while other unconfirmed pollutants are also subject to supervision by the state and local government and will be discharged by the Company or its subsidiaries in an orderly manner after meeting the standards.

* Unless otherwise specified.

(2) Construction and operation of pollution prevention facilities

The Company actively puts the concept of "Green Development, Environmental Priority" into practice, actively adapts to the new situation and new requirements of safety and environmental protection work, solidly performs the main responsibility of enterprise safety production, continuously increases environmental protection investment, carries out pollution prevention and control capacity construction, and implements a number of ecological restoration and environmental management projects.

During the Reporting Period, the Company continued to strengthen the operation and maintenance of environmental protection facilities, and the operation of environmental protection facilities was in good condition with no major pollution accidents occurred.

(3) Environmental impact assessment and other environmental protection administrative licensing of construction projects

Key projects	Environmental impact assessment issued/ acceptance status	Notes
Wushan Copper Mine Phase III extension project (Gan Huan Environmental Impact Assessment [2020] No. 38)	Approved	Department of Ecology and Environment of Jiangxi Province (Gan Huan Environmental Impact Assessment [2020] No. 38)/under construction
Sulphur Reduction Project of Chengmenshan Copper Mine Tailings	Approved	Jiujiang Ecological Environment Bureau (Jiujiang Environmental Impact Assessment [2020] No. 48)/under construction
Dashan 220kV Substation Expansion Project of Dexing Copper Mine	Approved	Department of Ecology and Environment of Jiangxi Province (Gan Huan Radiation [2020] No. 37)/under construction
Comprehensive Recovery Technology Transformation Project for Advanced Treatment of Zinc Containing Soot in Humon Smelting	Passed acceptance	Yantai Environmental Protection Bureau (Yan Huan Shen [2018] No. 43)/self-acceptance(2020/10/20)
Development and Industrialization Project of High Purity New Materials of Humon Smelting	Passed acceptance	Yantai Environmental Protection Bureau (Yan Huan Shen [2019] No. 19)/self-acceptance (2020/12/8)
Environmental Protection Acceptance of 300t/d Expansion Project of Qixia Jinxing Panma Gold Mine Concentrator	Passed acceptance	Department of Environmental Protection of Shandong Province (Lu Huan Shen [2010] No. 312)/self-acceptance (2020/8/30)

(4) Contingency plan for emergency environmental incidents

The Company and its subsidiaries have formulated the "Emergency Rescue Plan for Accidents and Disasters" and reported and filed to the environmental protection authorities, in order to effectively prevent, control and eliminate the harm caused by emergency environmental pollution accidents, establish and improve the response mechanism for emergency environmental pollution accidents, improve the ability of the Company in responding to emergency environmental pollution accidents, maximize prevention and minimize emergency environmental pollution accidents and their losses, safeguard public safety, maintain social stability, and promote the comprehensive, coordinated and sustainable development of economy and society.

(5) Self-monitoring environmental programs

The Company and its subsidiaries conduct self-monitoring work and formulate self-monitoring programs in accordance with the regulations of the relevant authorities at all levels, and continuously improve the capacity of monitoring stations to update environmental monitoring equipment and improve the accuracy of monitoring. At the same time, the monitoring data and related information are released in a timely, complete, and accurate manner as required by the regulatory authorities.

Each production unit of the Group has an environmental monitoring institution that regularly monitors the sources of pollution in accordance with national monitoring standards, such as daily monitoring of COD, ammonia nitrogen, heavy metal ions, exhaust gas, sulfur dioxide, and smoke dust in wastewater, establish a relatively complete environmental monitoring record, and various types of environmental monitoring data can be reflected back in time to guide production, so as to discover and handle problems in time to prevent pollution accidents.

In addition, the main production units of the Company have installed online monitoring devices at their outlets, and are connected to the government authorities. The daily average value of the online monitoring of state-controlled pollution sources of the Group is 100% in compliance.

Compliance Statistics of Online Monitoring Data

	Compliance of Online Monitoring (daily average)				
Unit	Monitoring points	Monitoring days	Total number of monitoring	Time of exceeding standard	Compliance rate %
Dexing Copper Mine	1	365	365	0	100%
Yongping Copper Mine	1	365	365	0	100%
Wushan Copper Mine	2	365	730	0	100%
Chengmenshan Copper Mine	1	365	365	0	100%
Yinshan Mining Company	1	365	365	0	100%
Dongxiang Copper Mine	1	365	365	0	100%
Guixi Smelter	6	365	2190	0	100%
Jiangxi Copper Yates Copper Foil Company Limited	1	365	365	0	100%

(6) Other information about environmental protection should be made public

Currency: RMB

		Environmental protection construction Environmental protection		
Company name	System establishment	Main measures	Environmental protection (including reclamation investment) *(0'000)*	Reuse rate of industrial water %
Guixi Smelter	"Wastewater Control Process of Guixi Smelter", "Waste Gas and Dust Control Process of Guixi Smelter", "Solid Waste Control Process of Guixi Smelter"	Reformation of a series of tail gas desulfurization, reformation of fluorine removal facility in sulfuric acid workshop, addition of electric demisting to the tail gas of second sulfuric acid series, etc.	7,578.83	99.01
Dexing Copper Mine	"Environmental Protection Management Measures of Dexing Copper Mine", "Administrative Measures for Dangerous Solid Waste in Dexing Copper Mine"	Three ecological restoration projects including newly-built acid water conditioning reservoir-Zhujia acid water conditioning reservoir, two-stage coal-fired boiler reconstruction project in metallurgy and chemical industry section of new technology plant, and 500 dump site of the west slope of Fujiawu mining area	11,076	91.93

		Environmental protection construction Environmental protection		
Company name	System establishment	Main measures	Environmental protection (including reclamation investment) *(0'000)*	Reuse rate of industrial water *%*
Wushan Copper Mine	"Environmental Protection Management System of Wushan Copper Mine", "Environmental Protection Facilities Management System of Wushan Copper Mine", "Environmental Protection Responsibility Target Assessment Method of Wushan Copper Mine"	Renovation of environmental protection facilities such as newly built tailings paste filling station, wastewater regulating pool, ecological restoration of waste rock site, etc.	1,259.4	95.88
Yongping Copper Mine	"Environmental Protection Administrative Measures of Yongping Copper Mine", "Environmental Protection Responsibility System of Yongping Copper Mine"	Upgrading of southern wastewater conveying system, environmental protection comprehensive treatment project, ecological reclamation of industrial sites such as dumping yards in west area, etc.	7,053.3	87.84
Chengmenshan Copper Mine	"Environmental Monitoring Management System", "Environmental Protection Management System", "Environmental Factors Identification and Evaluation Management System"	Newly-built storage room for hazardous and waste materials, permanent ecological restoration of slope on the southeast side of the Nanbo dump site, ecological treatment of slope in northern lake area of the stope, etc.	938.7	95.22
Yinshan Mining Company	"Environmental Management System of JCC Yinshan Mining Company Limited", "Administrative Measures for the Operation of Environmental Protection Facilities of JCC Yinshan Mining Company Limited", "Environmental Monitoring Management System of JCC Yinshan Mining Company Limited"	The tailings storage closure project of Yinshan Mining Company, comprehensive wastewater treatment project of Yinshan Mining, new tailings reservoir, acidic water reservoir, reclamation of ore shaft, etc.	3,616.49	86.76

		Environmental protection construction Environmental protection		
Company name	System establishment	Main measures	Environmental protection (including reclamation investment) *(0'000)*	Reuse rate of industrial water *%*
Humon Smelting	"Ecological Environmental Protection Management System Compilation", "Hazardous Waste Management System"	Investing RMB11.95 million to upgrade and renovate the smelting ring gas collection and acid-making exhaust treatment facilities. The waste gas was deeply purified by adding bag dust collector, adding gas collecting device, reforming washing spray tower and adding denitrification facilities.	20,555.53	98.3

2. **Explanation on environmental protection of companies other than major pollutant-emission units**

   Not applicable

3. **Explanation on the reasons for non-disclosure of environmental protection information by the companies other than the key pollutant discharging units**

   Not applicable

4. **Explanation on the subsequent development or changes on the disclosure of environmental protection information during the Reporting Period**

   Not applicable

5. **Others**

   Not applicable

XVI. PARTICULARS OF CONVERTIBLE BOND OF THE COMPANY

Not applicable

XVII. CHARGES ON THE GROUP ASSETS

Details of the charges on the Group assets are set out in page 39 of this report.

XVIII. FOREIGN EXCHANGE RISK

The reporting currency of the Group is Renminbi. Where any transactions in foreign currencies of the Company are incurred, amounts in foreign currencies are translated into RMB at the middle market exchange rates at the beginning of the transaction month. Closing balances in foreign currency account are translated into Renminbi at the market exchange rates at the end of the year.

Although currently RMB is not a currency that is freely convertible in the PRC, the Chinese government is taking initiatives for exchange reform and adjustments to exchange rate. Change of exchange rate will have an impact on the Group's balance of foreign exchange revenue and spending or dividends payable denominated in Hong Kong dollars or other currencies. However, the Group believes that it is able to obtain sufficient foreign exchange to satisfy its foreign exchange revenue and spending.

The Group's operations are mainly in the PRC. Except for export sales, which are mainly transacted in US dollars, the Group currently receives its sales revenue mainly in Renminbi. The Group's exposure to exchange rate fluctuations primarily derives from the sales of products and purchase of raw materials in foreign currencies.

XIX. CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no contingent liabilities.

Independent Auditor's Report

To the shareholders of Jiangxi Copper Company Limited
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jiangxi Copper Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 166 to 327, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and factoring receivables	
As at 31 December 2020, the Group had trade receivables and factoring receivables of approximately RMB10,328.26 million and RMB1,745.12 million, respectively, and an impairment allowance of trade receivables and factoring receivables of approximately RMB5,955.36 million and RMB1,028.55 million, respectively. Provision was made for lifetime expected credit losses ("ECL") on trade receivables and for either a 12-month ECL or a lifetime ECL on factoring receivables. Management applied judgement in assessing the ECL. Trade receivables or factoring receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for provision of impairment allowance. The remaining trade receivables or factoring receivables are grouped based on ageing of bills of various customer segments with similar loss patterns and collectively assessed for provision of impairment allowance. The ECL rates are determined based on historical credit loss experience and industry data of receivables with similar credit risk characteristics and adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. The realizable value of collateral based on valuation reports issued by the independent professional valuers engaged by management have been taken into account when individually and collectively assessing the ECL for trade receivables or factoring receivables. Since the impairment assessment involved many judgements and assumptions, and in view of the significance of the amount, impairment of trade receivables and factoring receivables was considered a key audit matter.	We performed the following procedures in our audit for the assessment of impairment of trade receivables and factoring receivables: 1. Obtained an understanding of and tested the credit control procedures performed by management, including its procedures on periodic review of aged receivables and assessment on the ECL allowance of receivables; 2. Tested on a sample basis, the accuracy of the ageing profile of trade receivables by checking to the underlying sales invoices. Tested on a sample basis, the accuracy of the ageing profile of factoring receivables by checking to the underlying contracts and bank slips; 3. Assessed the reasonableness of the impairment allowance made with reference to the credit history of customers and industry data which are adjusted for forward-looking factors specific to the debtors, the economic environment, the realizable value of collateral and settlement records including default or delay in payments and actual collections after the end of the reporting period; and

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and factoring receivables (Continued)	
Related disclosures are included in note 3 "Significant accounting judgements and estimates", note 29 "Trade and bills receivables" and note 30 "Factoring receivables", respectively, to the financial statements.	4. For collateral with collateral valuation reports issued by the independent professional valuers engaged by management, reviewed the collateral valuation reports and tested the key assumptions and estimations used in the valuation with the assistance of our internal valuation specialists. We also assessed the adequacy of the related disclosures in the notes to the financial statements.
Goodwill impairment	
Included in the consolidated statement of financial position is a goodwill balance of RMB1,266.04 million relating to the gold related products cash-generating unit ("CGU") as of 31 December 2020.	We performed the following procedures in our audit for the assessment of goodwill impairment: 1. Obtained an understanding of, evaluated the design, and tested the operating effectiveness of management's key controls over the impairment assessment process;

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment (Continued) The Group is required to, at least annually, perform impairment assessments of goodwill. As of 31 December 2020, an independent professional valuer has been engaged by management to assist in the assessment of goodwill impairment. For the purpose of performing impairment assessments, goodwill has been allocated to the CGU. The impairment testing was performed by comparing the recoverable amount of the CGU and the carrying amount of the CGU. The determination of the recoverable amount of the underlying CGU involved estimates and judgements, including the future price of gold and related products, production costs, operating expenses, the growth rate used to estimate future cash flows and discount rate applied to these forecasted future cash flows of the underlying CGU. These estimates and judgements may be affected by unexpected changes in future market or economic conditions or discount rates applied. We identified the goodwill impairment as a key audit matter due to the complexity and significant judgements involved in the assessment process of management. Related disclosures are included in note 3 "Significant accounting judgements and estimates" and note 20 "Goodwill", respectively, to the financial statements.	2. Assessed the competency, capability and objectivity of the independent professional valuer engaged by management; 3. Assessed the reasonableness of key assumptions used in the calculations, comprising the future price of gold and related products, production costs, operating expenses, growth rate and discount rate. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports from a number of sources; and 4. Involved our internal valuation specialists to assist us in assessing the review of goodwill impairment. We also assessed the adequacy of the related disclosures in the notes to the financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group for the year ended 31 December 2020 (the "Annual Report"), but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the correction be made.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Shun Lung Wai, Ricky.

Ernst & Young
Certified Public Accountants

Hong Kong
29 March 2021

Consolidated Statement of Profit or Loss

YEAR ENDED 31 DECEMBER 2020

	Notes	**2020** *RMB'000*	2019 *RMB'000*
REVENUE	6	**317,756,486**	239,585,489
Cost of sales		**(307,687,117)**	(231,172,158)
Gross profit		**10,069,369**	8,413,331
Other income	7	**1,126,594**	1,278,003
Other gains and losses	8	**(1,833,668)**	(75,467)
Selling and distribution costs		**(269,427)**	(683,412)
Administrative expenses		**(2,726,043)**	(2,417,503)
Impairment losses on financial assets	9	**(1,264,064)**	(1,475,161)
Finance costs	10	**(1,950,099)**	(1,883,826)
Share of profits and losses of:			
Joint ventures	23	**(17,600)**	(48,336)
Associates	24	**117,009**	27,164
PROFIT BEFORE TAX	11	**3,252,071**	3,134,793
Income tax	14	**(892,594)**	(982,425)
PROFIT FOR THE YEAR		**2,359,477**	2,152,368
Attributable to：			
Owners of the Company		**2,227,704**	2,437,988
Non-controlling interests		**131,773**	(285,620)
		2,359,477	2,152,368
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	16	**RMB0.64**	RMB0.70

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**2,359,477**	2,152,368
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**–**	–
Reclassification adjustments for losses included in the consolidated statement of profit or loss	**–**	(47)
Income tax effect	**–**	12
	–	(35)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments during the year	**–**	(1,393)
Reclassification adjustments for losses included in the consolidated statement of profit or loss	**1,857**	(4,534)
Income tax effect	**(465)**	1,134
	1,392	(4,793)
Exchange differences on translation of foreign operations	**(11,467)**	237,625
Share of other comprehensive expenses of joint ventures	**(14,151)**	(13,392)
Share of other comprehensive (expenses)/income of associates	**(227,787)**	137,770
Net other comprehensive (expenses)/income that may be reclassified to profit or loss in subsequent periods, net of tax	**(252,013)**	357,175

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RMB'000	*RMB'000*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**6,042,772**	882,457
Income tax effect	**–**	(74)
	6,042,772	882,383
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	**6,042,772**	882,383
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**5,790,759**	1,239,558
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**8,150,236**	3,391,926
Attributable to:		
Owners of the Company	**8,048,852**	3,671,853
Non-controlling interests	**101,384**	(279,927)
	8,150,236	3,391,926

Consolidated Statement of Financial Position

31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment	17	**25,560,182**	26,867,591
Investment properties	18	**470,507**	473,569
Right-of-use assets	19(a)	**4,268,125**	2,582,441
Goodwill	20	**1,266,036**	1,266,036
Other intangible assets	21	**4,362,866**	1,974,659
Exploration and evaluation assets	22	**636,111**	959,260
Investments in joint ventures	23	**655,923**	693,219
Investments in associates	24	**3,952,216**	3,799,882
Financial instruments other than derivatives	25	**16,517,143**	10,646,329
Deferred tax assets	27	**485,715**	490,116
Prepayments, other receivables and other assets	31	**904,337**	549,850
Deposits for prepaid lease payments	31	**598,791**	565,940
Time deposits	33	**100,113**	–
Restricted bank deposits	33	**2,997,591**	–
Total non-current assets		**62,775,656**	50,868,892
Current assets			
Inventories	28	**32,687,522**	26,923,307
Trade and bills receivables	29	**7,001,401**	7,538,866
Factoring receivables	30	**716,574**	1,130,056
Prepayments, other receivables and other assets	31	**6,033,980**	6,272,720
Loans to related parties	32	**1,703,063**	1,407,307
Financial instruments other than derivatives	25	**4,453,934**	10,662,189
Derivative financial instruments	26	**451,513**	323,663
Restricted bank deposits	33	**10,574,092**	11,020,052
Cash and cash equivalents	33	**14,451,776**	18,730,338
		78,073,855	84,008,498
Assets classified as held for sale	34	**32,042**	36,525
Total current assets		**78,105,897**	84,045,023

Consolidated Statement of Financial Position

31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
Current liabilities			
Trade and bills payables	35	**10,115,091**	12,540,448
Financial instruments other than derivatives	25	**–**	588,279
Derivative financial instruments	26	**1,031,399**	396,125
Other payables and accruals	36	**7,210,743**	6,880,951
Deposits from holding company and fellow subsidiaries	37	**3,021,693**	1,903,889
Deferred revenue	38	**56,954**	59,463
Interest-bearing bank borrowings	39	**33,839,234**	45,133,623
Lease liabilities	19 (b)	**167,175**	165,432
Corporate bonds	40	**5,991**	108,272
Tax payable		**825,071**	606,637
Total current liabilities		**56,273,351**	68,383,119
Net current assets		**21,832,546**	15,661,904
Total assets less current liabilities		**84,608,202**	66,530,796
Non-current liabilities			
Interest-bearing bank borrowings	39	**14,076,717**	5,257,859
Deposits from holding company and fellow subsidiaries	37	**88,000**	–
Lease liabilities	19(b)	**369,560**	171,117
Corporate bonds	40	**500,000**	500,000
Provision for rehabilitation	41	**264,287**	252,452
Employee benefit liabilities	42	**19,654**	19,159
Deferred revenue	38	**525,443**	577,630
Other long-term payables	43	**1,532,960**	391,585
Deferred tax liabilities	27	**372,277**	328,393
Total non-current liabilities		**17,748,898**	7,498,195
Net assets		**66,859,304**	59,032,601

Consolidated Statement of Financial Position

31 DECEMBER 2020

	Notes	2020 *RMB'000*	2019 *RMB'000*
Equity			
Equity attributable to owners of the parent			
Share capital	44	**3,462,729**	3,462,729
Reserves	45	**56,447,664**	49,282,889
		59,910,393	52,745,618
Non-controlling interests		**6,948,911**	6,286,983
Total equity		**66,859,304**	59,032,601

Approved on behalf of the board of directors:

Mr. Zheng Gaoqing
Director

Mr. Yu Tong
Director

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2020

For the year ended 31 December 2020

	Attributable to owners of the parent												
	Share capital RMB'000	Share premium* RMB'000	Capital reserve* RMB'000	Other reserve* RMB'000	Statutory surplus reserve* RMB'000	Discretionary surplus reserve* RMB'000	Safety fund surplus reserve * RMB'000	Hedging reserve* RMB'000	Translation reserve* RMB'000	Retained profits* RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at 31 December 2019	3,462,729	12,647,502	(924,429)	789,878	4,816,743	9,647,574	359,742	(1,392)	469,359	21,477,912	52,745,618	6,286,983	59,032,601
Profit for the year	-	-	-	-	-	-	-	-	-	2,227,704	2,227,704	131,773	2,359,477
Other comprehensive income for the year													
Equity investments at fair value through other comprehensive income	-	-	-	6,042,772	-	-	-	-	-	-	6,042,772	-	6,042,772
Cash flow hedges: Effective portion of changes in fair value of hedging instruments, net of tax	-	-	-	-	-	-	-	1,392	-	-	1,392	-	1,392
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	18,922	-	18,922	(30,389)	(11,467)
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	-	-	(14,151)	-	(14,151)	-	(14,151)
Share of other comprehensive expenses of associates	-	-	-	-	-	-	-	-	(227,787)	-	(227,787)	-	(227,787)
Total comprehensive income for the year	-	-	-	6,042,772	-	-	-	1,392	(223,016)	2,227,704	8,048,852	101,384	8,150,236
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	74,700	74,700
Acquisition subsidiary not under common control *(note 4)*	-	-	-	-	-	-	-	-	-	-	-	130,326	130,326
Acquisition of non-controlling interests	-	-	(537,804)	-	-	-	-	-	-	-	(537,804)	537,804	-
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(182,286)	(182,286)
Final 2019 dividend declared	-	-	-	-	-	-	-	-	-	(346,273)	(346,273)	-	(346,273)
Transfer from retained profits	-	-	-	-	-	-	(92,690)	-	-	92,690	-	-	-
At 31 December 2020	3,462,729	12,647,502	(1,462,233)	6,832,650	4,816,743	9,647,574	267,052	-	246,343	23,452,033	59,910,393	6,948,911	66,859,304

* These reserve accounts comprise the consolidated reserves of RMB56,447,664,000 (2019: RMB49,282,889,000) in the consolidated statement of financial position.

For the year ended 31 December 2019

	Attributable to owners of the parent												
	Share capital	Share premium*	Capital reserve*	Other reserve*	Statutory surplus reserve*	Discretionary surplus reserve*	Safety fund surplus reserve*	Hedging reserve*	Translation reserve*	Retained profits*	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2018	3,462,729	12,647,502	(924,429)	(92,470)	4,816,743	9,647,574	388,161	3,401	113,049	19,704,051	49,766,311	2,260,379	52,026,690
Profit for the year	–	–	–	–	–	–	–	–	–	2,437,988	2,437,988	(285,620)	2,152,368
Other comprehensive income for the year													
Debt investments at fair value through other comprehensive income	–	–	–	(35)	–	–	–	–	–	–	(35)	–	(35)
Equity investments at fair value through other comprehensive income	–	–	–	882,383	–	–	–	–	–	–	882,383	–	882,383
Cash flow hedges: Effective portion of changes in fair value of hedging instruments, net of tax	–	–	–	–	–	–	–	(4,793)	–	–	(4,793)	–	(4,793)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	231,932	–	231,932	5,693	237,625
Share of other comprehensive expenses of joint ventures	–	–	–	–	–	–	–	–	(13,392)	–	(13,392)	–	(13,392)
Share of other comprehensive expenses of associates	–	–	–	–	–	–	–	–	137,770	–	137,770	–	137,770
Total comprehensive income for the year	–	–	–	882,348	–	–	–	(4,793)	356,310	2,437,988	3,671,853	(279,927)	3,391,926
Contribution from non- controlling interests	–	–	–	–	–	–	–	–	–	–	–	134,477	134,477
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	4,234,450	4,234,450
Dividends paid to non- controlling interests	–	–	–	–	–	–	–	–	–	–	–	(62,396)	(62,396)
Final 2018 dividend declared	–	–	–	–	–	–	–	–	–	(692,546)	(692,546)	–	(692,546)
Transfer from retained profits	–	–	–	–	–	–	(28,419)	–	–	28,419	–	–	–
At 31 December 2019	3,462,729	12,647,502	(924,429)	789,878	4,816,743	9,647,574	359,742	(1,392)	469,359	21,477,912	52,745,618	6,286,983	59,032,601

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**3,252,071**	3,134,793
Adjustments for:			
Finance costs	10	**1,950,099**	1,883,826
Foreign exchange gains, net	8	**124,886**	9,520
Share of (gains)/losses of joint ventures and associates	23,24	**(99,409)**	21,172
Gains from listed debentures	8	**(9,979)**	(3,720)
Gains from listed equity investments	8	**(3,388)**	(3,672)
Gains from investments in financial products	8	**(687,225)**	(653,489)
Gains from unlisted equity investments	8	**–**	(25,111)
Loss from held-for-trading financial liabilities	8	**175,633**	–
Dividend income from equity investments	7	**(27,601)**	(34,963)
Net loss on disposal of items of property, plant and equipment	8	**112,836**	111,488
Net gain on disposal of items of assets classified as held for sale		**–**	(6,561)
Fair value (gains)/losses, net:			
– Derivative financial instruments		**57,089**	140,195
– Listed equity investments	8	**129,708**	297,306
– Unlisted equity investments	8	**119,725**	65,853
– Income right attached to a target equity interest	8	**22,498**	(11,198)
– Debt instruments	8	**275,730**	(17,189)
– Held-for-trading financial liabilities	8	**(100,858)**	27,151
Provision for impairment of trade and bills receivables	9	**668,914**	522,912
Provision for impairment of factoring receivables	9	**246,725**	609,189
Provision for impairment of prepayments, other receivables and other assets	9	**242,464**	268,243
Provision for impairment of loans to related parties	9	**57,245**	26,102
Provision for impairment of inter-bank loans	9	**48,716**	48,715
Provision for impairment of prepaid value-added tax	11	**–**	10,633
Provision for/(reversal of) impairment of inventories to net realisable value	11	**357,737**	(38,471)

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
Provision for impairment of property, plant and equipment	8	**393,612**	105,449
Provision for impairment of exploration and evaluation assets	8	**17,689**	12,014
Provision for impairment of other intangible assets	8	**86,274**	–
Depreciation of property, plant and equipment	11	**2,219,452**	1,968,978
Depreciation of right-of-use assets	11	**273,742**	204,441
Depreciation of investment properties	11	**12,339**	12,713
Amortisation of other intangible assets	11	**190,257**	124,663
Unwinding of an interest in rehabilitation provision	41	**11,835**	8,657
Deferred revenue released to the statement of profit or loss	38	**(74,340)**	(64,417)
		10,044,476	8,755,222
Increase in inventories		**(5,798,800)**	(3,941,996)
Decrease in trade and bills receivable		**129,082**	523,744
Decrease in factoring receivables		**163,314**	342,779
Decrease in prepayments, other receivables and other assets		**1,947,011**	3,968,703
Decrease in derivative financial instruments		**1,230,362**	25,505
Increase in loans to related parties		**(353,001)**	(203,981)
Increase in restricted bank deposits except restricted deposits to secure bank borrowings		**(3,272,068)**	(1,260,788)
(Decrease)/increase in trade and bills payables		**(2,425,357)**	3,828,246
Decrease in other payables and accruals		**(804,896)**	(2,738,019)
Increase/(decrease) in deposits from holding company and fellow subsidiaries		**1,205,804**	(34,014)
Cash generated from operations		**2,065,927**	9,265,401
Income tax paid		**(683,932)**	(1,013,103)
Net cash flows from operating activities		**1,381,995**	8,252,298

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial investments		**27,634,094**	28,211,022
Dividend received from a joint venture		**9,170**	5,000
Dividend received from an associate		**146,725**	12,224
Proceeds from disposal of property, plant and equipment		**169,410**	93,851
Proceeds from disposal of items of assets classified as held for sale		**4,483**	58,180
Proceeds from disposal of other intangible assets		**22**	215
Receipt of government grant		**19,644**	64,417
Additional investments in joints ventures		**(3,625)**	(503,723)
Additional investments in associates		**(409,837)**	(227,567)
Acquisition of subsidiaries and business combinations	4	**3,953**	(10,418,994)
Purchases of financial investments		**(24,230,345)**	(25,916,057)
Purchases of property, plant and equipment		**(2,569,114)**	(3,161,441)
Purchases of exploration and evaluation assets		**(163,750)**	(84,427)
Additions to right-of-use assets		**(77,999)**	(70,768)
Purchases of investment properties		**(14,062)**	–
Purchases of other intangible assets		**(821,926)**	(5,881)
Net cash flows used in investing activities		**(303,157)**	(11,943,949)

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings raised		**101,374,756**	78,403,845
Collection of pledged time deposits to secure bank borrowings	33	**(5,271,667)**	5,075,440
Repayment of bank and other borrowings		**(98,700,798)**	(68,907,252)
Principal portion of lease payments		**(323,793)**	(173,107)
Dividends paid		**(346,273)**	(692,546)
Dividends paid to non-controlling interests		**(182,287)**	(62,396)
Interest paid		**(1,786,542)**	(2,205,747)
Contribution from non-controlling interests		**74,700**	134,477
Net cash flows from/(used in) financing activities		**(5,161,904)**	11,572,714
Net (decrease)/increase in cash and cash equivalents		**(4,083,066)**	7,881,063
Cash and cash equivalents at beginning of year		**18,730,338**	10,647,443
Effect of foreign exchange rate changes, net		**(195,496)**	201,832
Cash and cash equivalents at end of year	33	**14,451,776**	18,730,338

1. CORPORATE INFORMATION

Jiangxi Copper Company Limited (the "Company") was registered in the People's Republic of China (the "PRC") as a joint stock limited company. The registration number of the Company's business licence is Qi He Gan Zhong Zi 003556. The Company was established on 24 January 1997 by Jiangxi Copper Corporation ("JCC"), Hong Kong International Copper Industry (China) Investment Limited, Shenzhen Baoheng (Group) Company Limited, Jiangxi Xinxin Company Limited and Hubei Sanxin Gold & Copper Company Limited, and approved by Jiangxi Province's Administrative Bureau for Industry and Commerce. The Company's H shares and A shares were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively. The registered address of the Company is 15 Yejin Avenue, Guixi City, Jiangxi, the PRC. In the opinion of the directors, the Company's ultimate holding company is JCC, a State-owned enterprise established in the PRC, and the ultimate controlling party is the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangxi Province.

The principal business of the Group covers copper and gold mining and dressing, smelting and processing, extraction and processing of the precious metals and scattered metals, sulphuric chemicals as well as finance and trading fields. It has established a complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. It is the important production base of copper, gold, silver and sulphuric chemicals in the PRC. The main products of the Group include more than 50 varieties, such as copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company		Principal activities
				Directly	Indirectly	
四川康西銅業有限責任公司 Sichuan Kangtong Copper Company Limited ("Kangtong")	LLC	Mainland China	RMB286,880,000	57.14%	–	Sale of copper materials, precious metal materials and sulphuric acid
江銅國際貿易有限公司 Jiangxi Copper International Trade Company Limited ("JXCC International Trade")	LLC	Mainland China	RMB1,016,091,000	59.05%	–	Sale of metals, chemicals, mining products, construction materials

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company Directly	Indirectly	Principal activities
保弘有限公司 Sure Spread Company Limited. ("Sure Spread")	LLC	Hong Kong	HKD50,000,000	–	59.05%	International trading and provision of related technical services
江銅國際(新加坡)有限公司 Jiangtong International (Singapore) PTE. LTD. ("Jiangtong Singapore")	LLC	Singapore	USD35,042,000	–	59.05%	Sale of copper materials, precious metal materials and sulphuric acid
江銅國際商業保理有限責任公司 Jiangxi Copper International Commercial Factoring Company Limited ("Jiangtong Factoring")	LLC	Mainland China	RMB400,000,000	–	59.05%	Treasury and provision of financial services
江西銅業集團財務有限公司 JCC Finance Company Limited ("Finance Company")	LLC	Mainland China	RMB1,000,000,000	100%	–	Provision of deposits, loans, guarantees and financing consultation services to related parties
深圳江銅營銷有限公司 Shenzhen Jiangxi Copper Marketing Company Limited ("Shenzhen Trading")	LLC	Mainland China	RMB2,260,000,000	100%	–	Sale of copper products
鴻天實業有限公司 Loyal Sky Industrial Company Limited ("Loyal Sky")	LLC	Hong Kong	HKD77,555,000	–	100%	Trading of copper products and non-ferrous metals

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company		Principal activities
				Directly	Indirectly	
上海江銅營銷有限公司 Jiangxi Copper Shanghai Trading Company Limited ("Shanghai Trading")	LLC	Mainland China	RMB200,000,000	100%	–	Sale of copper products
江西銅業集團東同礦業有限公司 JCC Dongtong Mining Company Limited ("Dongtong Mining")	LLC	Mainland China	RMB46,209,000	100%	–	Manufacture and sale of non-ferrous metal and rare materials
廣州江銅銅材有限公司 Jiangxi Copper (Guangzhou) Copper Production Company Limited ("GZPC")	LLC	Mainland China	RMB800,000,000	–	100%	Production, processing and sale of copper products and wires
江西省江銅耶茲銅箔有限公司 Jiangxi Copper Yates Copper Foil Company Limited ("Yates")	LLC	Mainland China	RMB1,253,600,000	98.15%	–	Production and sale of copper foil
江西江銅龍昌精密銅管有限公司 Jiangxi Copper (Longchang) Precise Pipe Company Limited ("Longchang Copper Pipe")	LLC	Mainland China	RMB890,529,000	92.04%	–	Production and sale of copper pipes and other copper pipe products
江西銅業(清遠)有限公司 Jiangxi Copper (Qingyuan) Company Limited	LLC	Mainland China	RMB890,000,000	–	100%	Manufacturing and sale of copper products
江西銅業香港有限公司 Jiangxi Copper Company Hong Kong Limited	LLC	Hong Kong	HKD1,096,069,000	100%	–	Trading of copper products and non-ferrous metals

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company Directly	Indirectly	Principal activities
香格里拉市必司大吉礦有限公司 Shangri La Bisidaji Mining Company Limited	LLC	Mainland China	RMB5,000,000	51%	–	Exploration of copper mining
江銅華北(天津)銅業有限公司 Jiangxi Copper Huabei (Tianjin) Company Limited ("JCHT")	LLC	Mainland China	RMB640,204,000	51%	–	Manufacturing and sale of copper products
浙江江銅富冶和鼎銅業有限公司 Zhejiang JCC Fuye Heding Copper Company Limited ("Fuye Heding") *(a)*	LLC	Mainland China	RMB1,280,000,000	40%	–	Manufacturing and sale of copper products
江西銅業(香港)投資有限公司 Jiangxi Copper Hong Kong Investment Limited	LLC	Hong Kong	USD1,039,427,000	100%	–	Providing mining investment
山東恒邦冶煉股份有限公司 Shandong Humon Smelting Co., Ltd ("Shandong Humon") *(b)*	LLC	Mainland China	RMB910,400,000	44.48%	–	Production, processing and sale of precious metals and non-ferrous metals
江銅國興(煙臺)銅業有限公司 Jiangtong Guoxing (Yantai) Copper CO., Ltd ("Yantai Guoxing")	LLC	Mainland China	RMB500,000,000	65%	–	Manufacture of copper sulphate, electrolytic copper and non-ferrous metal
成都江銅金號有限公司 Chengdu Jiangtong Jinhao Co., Ltd ("Chengdu Jinhao")	LLC	Mainland China	RMB95,315,899	–	51%	Trading of precious metals

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name of subsidiary	Type	Place of incorporation/ establishment and operations	Nominal value of paid-up/registered capital	Proportion of nominal value of issued ordinary share capital held by the Company Directly	Indirectly	Principal activities
江銅宏源銅業有限公司 Jiangxi Copper Hongyuan Copper Co., Ltd ("Hongyuan Copper") *(c)*	LLC	Mainland China	RMB250,000,000	43%	–	Manufacturing and sale of electrolytic copper
江西銅業(深圳)國際投資控股有限公司 Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd ("Shengzhen International")	LLC	Mainland China	RMB1,662,000,000	100%	–	Providing mining investment
PIM CUPRIC HOLDING LTD ("PIM Cupric")	LLC	British Virgin Islands	USD1,136,261,000	–	100%-	Providing mining investment
Vesco Holding Limited ("Vesco") *(d)*	LLC	Hong Kong	USD44,800,000		57.69%	Providing mining investment
江西銅業(鷹潭)貿易有限公司 Jiangxi Copper Yingtan Trading Limited *(e)*	LLC	Mainland China	RMB100,000,000	100%		Trading of precious metals
江西江銅碳納米材料有限公司 Jiangxi Copper Tan Na Mi Material Limited *(e)*	LLC	Mainland China	RMB100,000,000		78%	New technology development

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

(a) On 1 October 2015, the Company entered into an acting-in-concert agreement with another vote holder of Fuye Heding, resulting in the Company having the majority of the voting rights thereafter. Accordingly, the board of directors of the Company considered that the Company has control over Fuye Heding and have consolidated it as a subsidiary since 1 October 2015.

(b) The Company controls Shandong Humon through de facto control. Details are given in note 3 to the financial statements.

(c) On 6 August 2019, the Company entered into an acting-in-concert agreement with another vote holder of Hongyuan Copper, resulting in the Company having the majority of the voting rights thereafter. Accordingly, the board of directors of the Company considered that the Company has control over Hongyuan Copper and have consolidated it as a subsidiary since 6 August 2019.

(d) The subsidiary was acquired during the year ended 31 December 2020. Details of are given in note 4 to the financial statements.

(e) The subsidiary was established during the year ended 31 December 2020.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, certain debt and equity instruments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions (early adopted)*
Amendments to IAS 1 and IAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

(a) Conceptual Framework for Financial Reporting 2018 (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(d) (Continued)

The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. As there was no lease payment reduced or waived by the lessors during the year ended 31 December 2020, the amendment did not have any impact on the financial position and performance of the Group.

(e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform – Phase 2*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 17	*Insurance Contracts*[3, 5]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*[2]
Annual Improvements to IFRS Standards 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 No mandatory effective date yet determined but available for adoption
5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IFRS 3 are intended to replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on various Interbank Offered Rates as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

(i) Business combinations under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter year, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous financial year end or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, incurred in relation to the common control combination that is to be accounted for by using the merger accounting are recognised as expenses in the year in which they are incurred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

(ii) Business combinations not under common control

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

(ii) Business combinations not under common control (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its debt instruments, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) (Continued)

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	Useful life	**Depreciation rate**
Buildings and mining infrastructure	12–45 years	2.00–8.08%
Machinery	8–27 years	3.33–12.13%
Motor vehicles	4–13 years	6.92–24.25%
Office equipment	5–10 years	9.00–19.40%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Group uses the cost model to measure all of its investment properties.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (Continued)

Depreciation is calculated on the straight-line basis to write off the cost to investment property's residual value over its estimated useful life. The estimated useful lives are as follows:

Commercial properties	12–45 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The useful lives of intangible assets are assessed to be either finite or indefinite and are shown below:

	Useful life	Depreciation rate
Mining rights	10–50 years	2%–10%
Trademarks	20 years	5%
Vendor contracts	18 years	5.56%
Others	5–20 years	5%–20%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

The Group's intangible assets are mainly with finite useful lives. Intangible assets with finite lives are subsequently amortised over the shorter of their useful economic lives and the licence period and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets are mainly comprised of cost to acquire exploration rights as well as expenditures incurred during topographical exploration process, including topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies. If any project is abandoned, the total expenditure thereon will be written off in the statement of profit or loss.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	25 to 50 years
Buildings and mining infrastructure	1 to 10 years
Machinery and vehicles	5 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(b) (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 180 days past due.

The Group considers a financial asset in default when contractual payments are 3 years past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, deposits from the holding company and fellow subsidiaries, derivative financial instruments and interest-bearing bank borrowings, corporate bonds and other long-term payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of:

(i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)"; and

(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, foreign currency swaps and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.

- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of profit or loss.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost of inventories also includes gains and losses on qualifying fair value hedge in respect of inventories designated as hedged items. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

To the extent to which more than one finished product is obtained from the mineral resource ("joint products"), all joint production costs are apportioned between the resulting finished products by reference to their estimated realisable values at the point where those joint products become physically separated.

Those costs of removing waste materials or "stripping costs" incurred during the production phase of a mine are included in the cost of inventories extracted during the period in which the stripping costs are incurred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for the Group's obligations for environment rehabilitation are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. The Group estimates its provisions for environment rehabilitation cost at closure of mine based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The asset is depreciated using the straight-line method over its expected life and the liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognised at the appropriate discount rate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of goods

The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

(b) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(c) Other service income

Other service income, including sub-contracting service, is recognised when services are provided.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other employee benefits

In accordance with the rules and regulations in the PRC, the employees of the Group are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following significant judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group does not include the renewal options for leases as part of the lease term as these are not reasonably certain to be exercised.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Consolidation of an entity in which the Group holds less than a majority of voting rights

The Company considers that it controls Shandong Humon even though it owns less than 50% of the voting rights. This is because: i) the Company is able to control over the board of Shandong Humon with the power to make decision in the financial and operating policies; ii) the Company entered into an agreement with another three vote holders of Shandong Humon and they promised that neither themselves nor together with other vote holders of Shandong Humon will damage or impact the Company's right of control over Shandong Humon; and (iii) the remaining equity shares in Shandong Humon are widely held by many other shareholders. Since the date of acquisition, there has been no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Environment rehabilitation obligations

Environment rehabilitation obligations are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in the estimation of the costs. Environment rehabilitation obligations are subject to considerable uncertainty which affects the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, mines and land development areas, whether operating, closed or sold, (ii) the extent of required clean-up efforts, (iii) varying cost of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. In addition, as prices and cost levels change from year to year, the estimate of environment liabilities also changes. Despite the inherent imprecision in these estimates, these estimates are used in assessing the provision for rehabilitation. The carrying amount of provision for rehabilitation at 31 December 2020 was RMB264,287,000 (2019: RMB252,452,000). More details are given in note 41.

Useful lives of property, plant and equipment

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. Useful lives are determined based on management's past experience with similar assets, estimated changes in technologies and in the case of mining related property, plant and equipment, estimated mine lives. If the estimated useful lives change significantly, adjustment of depreciation will be provided in the future years. The carrying amount of property, plant and equipment at 31 December 2020 was RMB25,560,182,000 (2019: RMB26,867,591,000). More details are given in note 17.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Allowance for inventories

Management reviews the net realisable values of inventories at the end of the reporting period based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated selling expenses and related taxes to determine the allowance for inventories. Management may take reference to the available price in the open market or the most recent/subsequent selling price if the open market information is not available. These estimates could change significantly as a result of change in market demand of products or technical innovation and impact the expectation of net realisable value and allowance for inventories required. The carrying amount of inventories was RMB32,687,522,000 at 31 December 2020 (2019: RMB26,923,307,000). More details are given in note 28.

Mineral reserves

Technical estimates of the Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved" and "probable". Proved and probable mineral reserves estimates are updated on a regular basis and take into account recent economic production and technical information about each mine. In addition, as production levels and technical standards change from year to year, the estimate of proved and probable mineral reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used in determining depreciation and amortisation rates for mine related assets and are used in assessing impairment losses. The carrying amount of mining rights at 31 December 2020 was RMB3,950,787,000 (2019: RMB1,773,801,000). More details are given in note 21.

Exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits will result, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of profit or loss in the period when the new information becomes available. The carrying amount of exploration and evaluation assets at 31 December 2020 was RMB636,111,000 (2019: RMB959,260,000). More details are given in note 22.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the amounts of the future taxable profit and tax planning strategies. The carrying amount of deferred tax assets at 31 December 2020 of the Group was RMB485,715,000 (2019: RMB490,116,000). More details are given in note 27.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2020 was RMB1,266,036,000 (2019: RMB1,266,036,000). Further details are given in note 20.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2020, the carrying amount of non-financial assets (other than deferred tax, deposits for prepaid lease payments and deposits for property, plant and equipment) was RMB39,905,930,000 (2019: RMB37,350,621,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

Provision for impairment of trade receivables is made based on an assessment of expected credit losses on trade receivables. The assessment of expected credit losses requires management's judgement and estimates. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trading receivables are grouped based on aging of bills of various customer segments with similar loss patterns and collectively assessed for impairment allowance. The expected credit loss rates are determined based on historical credit loss experience of receivables with similar credit risk characteristics and adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. The realisable value of collateral has been taken into account when the expected credit losses for trade receivables are assessed individually and collectively.

Under the collective approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging of bill for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions, realizable value of collateral and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances, forecast economic conditions and realizable value of collateral. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 29 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on factoring receivables and other receivables

Impairment loss on factoring receivables and other receivables represent management's best estimate of losses incurred in factoring receivables and other receivables at the reporting date under ECL models. Management assesses whether the credit risk of factoring receivables and other receivables have increased significantly since their initial recognition and apply a three-stage impairment model to calculate their ECLs. The Group is required to exercise judgement in making assumptions and estimates when calculating impairment losses on factoring receivables and other receivables, including any observable data indicating that there is a measurable decrease in the estimated future cash flows from factoring receivables and other receivables and historical loss experience on the basis of the relevant observable data that reflects current economic conditions.

The measurement of the ECLs involves significant management judgments and assumptions, primarily including the selection of appropriate models and determination of relevant key measurement parameters, criteria for determining whether there was a significant increase in credit risk or a default was incurred, economic indicators for forward-looking measurement, and the application of economic scenarios and weightings, management consideration due to significant uncertain factors not covered in the models and the estimated future cash flows in stage 3. The information about the ECLs on the Group's factoring receivables and other receivables is disclosed in note 30 and note 31 to the financial statements, respectively.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Fair value of unlisted equity investments and income right attached to a target equity interest

The unlisted equity investments and income right attached to a target equity interest have been valued based on a market-based valuation technique as detailed in note 52 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select a serious of key ratios. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments and the income right attached to a target equity interest at 31 December 2020 was RMB1,239,351,000 (2019: RMB1,381,574,000). Further details are included in note 25 to the financial statements.

4. BUSINESS COMBINATION

Acquisition of Vesco

On 31 January 2020, the Group subscribed 25,800,000 ordinary shares of Vesco Holding Limited ("Vesco") and holds a 57.59% interest in Vesco thereafter.

The acquisition was made as part of the Group's strategy to source raw materials overseas. The consideration of the subscription is USD25,800,000 in the form of cash with USD10,000,000 paid before 1 January 2020 and USD7,800,000 during the year ended 31 December 2020.

4. BUSINESS COMBINATION (CONTINUED)

Acquisition of Vesco (Continued)

The fair values of the identifiable assets acquired and liabilities assumed of Vesco as at the date of acquisition were:

	31 January 2020 Fair value *RMB'000*
Non-current assets	**259,297**
Current assets	**143,056**
Total assets	**402,353**
Non-current liabilities	**(64,620)**
Current liabilities	**(29,708)**
Total liabilities	**(94,328)**
Total identifiable net assets at fair value	**308,025**
Non-controlling interests	**(130,325)**
Identifiable net assets at fair value attributable to the Group	**177,700**
Satisfied by cash	**177,700**

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration paid	(51,890)
Cash and bank balances acquired	55,843
Net inflow of cash and cash equivalents included in cash flows from investing activities	3,953

The Group incurred transaction costs of RMB1,029,000 for this acquisition. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss.

Since the acquisition, Vesco contributed net loss of RMB4,214,000 to the consolidated profit for the year ended 31 December 2020.

Had the combination taken place at the beginning of the year, the loss of Vesco included in the statement of profit or loss of the Group for the year would have been RMB4,248,000.

5. OPERATING SEGMENT INFORMATION

Since the acquisition of Shandong Humon on 26 June 2019, for management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) production and sale of copper and other related products and services ("Copper related business");

(b) production and sale of gold and other related products and services ("Gold related business").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax for related periods.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2020	**Copper related business** *RMB'000*	**Gold related business** *RMB'000*	**Total** *RMB'000*
Segment revenue			
Sales to external customers	**282,679,508**	**35,076,978**	**317,756,486**
Intersegment sales	**1,575,596**	**917,157**	**2,492,753**
	284,255,104	**35,994,135**	**320,249,239**
Reconciliation:			
Elimination of intersegment sales			**(2,492,753)**
Revenue			**317,756,486**
Segment results	**2,917,557**	**334,514**	**3,252,071**
Reconciliation:			
Elimination of intersegment results			–
Profit before tax			**3,252,071**

5. OPERATING SEGMENT INFORMATION (CONTINUED)

31 December 2019	Copper related business *RMB'000*	Gold related business *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers	223,415,520	16,169,969	239,585,489
Intersegment sales	893,460	16,968	910,428
	224,308,980	16,186,937	240,495,917
Reconciliation:			
Elimination of intersegment sales			(910,428)
Revenue			239,585,489
Segment results	3,068,380	66,413	3,134,793
Reconciliation:			
Elimination of intersegment results			–
Profit before tax			3,134,793

Geographical information

The Group's operation is mainly located in Mainland China and Hong Kong. The Group's revenue by geographical location of customers is detailed below:

	2020 ***RMB'000***	2019 *RMB'000*
Mainland China	**258,469,492**	205,006,109
Hong Kong	**33,957,214**	16,226,444
Others	**26,136,469**	19,127,782
	318,563,175	240,360,335
Less: Sales related taxes	**806,689**	774,846
	317,756,486	239,585,489

All material non-current assets of the Group (excluding deferred tax assets and financial instruments) are located in Mainland China except for certain investments in Hong Kong, the United State, Singapore, Afghanistan, Algeria, Peru, Japan, Zambia, Kazakhstan and Mexico.

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Information about major customers

No customer or a group of customers under common control accounted for 10% or more of the Group's revenue for years ended 31 December 2020 and 2019. The State-Owned Entities are not identified as a group of customers under common control by the directors of the Company.

6. REVENUE

Disaggregated revenue information

An analysis of revenue is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods		
– Copper cathodes	**166,680,150**	136,603,020
– Copper rods	**58,894,734**	45,115,729
– Copper processing products	**4,291,362**	4,614,556
– Gold	**33,712,410**	16,213,789
– Silver	**13,333,365**	6,086,104
– Sulphuric and sulphuric concentrates	**1,116,480**	1,259,961
– Copper concentrate, rare and other non-ferrous metals	**31,276,409**	23,490,148
– Others	**8,220,480**	6,203,463
Construction services	**414,507**	276,435
Other services	**623,278**	497,130
	318,563,175	240,360,335
Less: Sales related taxes	**806,689**	774,846
	317,756,486	239,585,489

6. REVENUE (CONTINUED)

Disaggregated revenue information (Continued)

The Group's revenue from contracts with customers, including sales of goods and other service income above, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Types of goods or services		
– Sale of goods	**317,525,390**	239,586,770
– Construction services	**414,507**	276,435
– Other services	**623,278**	497,130
	318,563,175	240,360,335
Less: Sales related taxes	**806,689**	774,846
Total revenue from contracts with customers	**317,756,486**	239,585,489
Timing of revenue recognition		
– Goods or services transferred at a point in time	**318,148,668**	240,083,900
– Services transferred over time	**414,507**	276,435
	318,563,175	240,360,335
Less: Sales related taxes	**806,689**	774,846
Total revenue from contracts with customers	**317,756,486**	239,585,489

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**2,357,189**	3,311,246

6. REVENUE (CONTINUED)

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon transfer of controls of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Sales of goods are made in a short period of time and the performance obligation is mostly satisfied in one year or less at the end of each year.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Other services

The performance obligation is satisfied upon services are provided and payment is generally due within 30 to 90 days from the date of billing.

7. OTHER INCOME

An analysis of other income is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest income	**887,831**	1,004,302
Dividend income from equity investments	**27,601**	34,963
Government grants recognised	**142,905**	147,496
Compensation income and others	**68,257**	91,242
	1,126,594	1,278,003

8. OTHER GAINS AND LOSSES

	2020	2019
	RMB'000	*RMB'000*
Fair value (losses)/gains from commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	**(230,305)**	(46,177)
Ineffectiveness of fair value hedges	**2,872**	–
(Losses)/gains on commodity derivative contracts and commodity option contracts:		
Transactions not qualifying as hedges	**(1,105,036)**	4,511
Fair value gains/(losses) from foreign currency forward contracts and interest rate swaps	**48,614**	(101,185)
Gains from foreign currency forward contracts, foreign currency swap and interest rate swaps	**121,730**	2,656
Fair value gains/(losses) on other financial instruments:		
Financial products	**(275,730)**	17,189
Listed equity instruments	**(129,708)**	(297,306)
Unlisted equity investments	**(119,725)**	(65,853)
Income right attached to a target equity interest	**(22,498)**	11,198
Held-for-trading financial liabilities	**100,858**	(27,151)
Gains/(losses) on other financial instruments:		
Listed equity instruments	**3,388**	3,672
Listed debentures	**9,979**	3,720
Financial products	**687,225**	649,739
Bond investments	**–**	3,750
Unlisted equity investments	**–**	25,111
Held-for-trading financial liabilities	**(175,633)**	–
Impairment losses on:		
Property, plant and equipment	**(393,612)**	(105,449)
Exploration and evaluation assets	**(17,689)**	(12,014)
Other intangible assets	**(86,274)**	–
Losses on disposal of property, plant and equipment, net	**(112,836)**	(111,488)
Gains on disposal of assets classified as held for sale	**–**	6,561
Foreign exchange losses, net	**(124,886)**	(9,520)
Others	**(14,402)**	(27,431)
	(1,833,668)	(75,467)

9. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2020	2019
	RMB'000	*RMB'000*
Provided for:		
Impairment of trade receivables	**668,914**	522,912
Impairment of factoring receivables	**246,725**	609,189
Impairment of loans to related parties	**57,245**	26,102
Impairment of other receivables	**242,464**	268,243
Impairment of inter-bank loans	**48,716**	48,715
	1,264,064	1,475,161

10. FINANCE COSTS

An analysis of finance costs is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest on:		
Bank borrowings	**1,543,513**	1,478,720
Discounted notes	**370,942**	364,578
Corporate bonds	**29,000**	23,936
Lease liabilities	**6,644**	16,592
	1,950,099	1,883,826

11. PROFIT BEFORE TAX

In addition to the items detailed elsewhere in these financial statements, the Group's profit before tax is arrived at after charging/(crediting):

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Cost of inventories sold and service provided		**299,531,151**	224,489,902
Depreciation of property, plant and equipment	17	**2,219,452**	1,968,978
Depreciation of right-of-use assets	19	**273,742**	204,441
Depreciation of investment properties	18	**12,339**	12,713
Amortisation of other intangible assets	21	**190,257**	124,663
Auditors' remuneration		**13,980**	12,520
Employee benefit expense (including directors' remuneration):			
– Wages and salaries		**4,000,141**	3,590,013
– Pension scheme contributions		**380,707**	597,319
Research and development costs		**489,917**	414,364
Provision for/(reversal of) allowance for inventories included in cost of sales		**357,737**	(38,471)
Provision for impairment of trade and bills receivables		**668,914**	522,912
Provision for impairment of factoring receivables		**246,725**	609,189
Provision for impairment of loans to related parties		**57,245**	26,102
Provision for impairment of other receivables		**242,464**	268,243
Provision for impairment of inter-bank loans		**48,716**	48,715
Provision for impairment of prepaid value-added tax		**–**	10,633
Provision for impairment of property, plant and equipment		**393,612**	105,449
Provision for impairment of exploration and evaluation assets		**17,689**	12,014
Provision for impairment of other intangible assets		**86,274**	–

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Fees	**400**	400
Other emoluments:		
Salaries, allowances and benefits in kind	**8,881**	7,897
Pension scheme contributions	**372**	318
	9,253	8,215
	9,653	8,615

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2020	2019
	RMB'000	*RMB'000*
Liu Erfei	**100**	100
Liu Xike	**100**	100
Tu Shutian	**100**	100
Zhu Xingwen *(i)*	**100**	100
	400	400

Notes:

i. On 15 January 2019, Mr. Zhu Xingwen was appointed as an independent non-executive director of the Company.

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors

2020	Fees *RMB'000*	Other emoluments Salaries, allowances and benefits in kind *RMB'000*	Other emoluments Performance related bonuses *RMB'000*	Other emoluments Pension scheme contributions *RMB'000*	Total *RMB'000*
Executive directors:					
Zheng Gaoqing *(Chairmen and the chief executive) (vi)*	–	1,082	–	18	1,100
Long Ziping *(Chairmen and the chief executive) (vi)*	–	811	–	45	856
Gao Jianmin	–	200	–	–	200
Liang Qing	–	200	–	–	200
Liu Fangyun *(iv)*	–	541	–	36	577
Wang Bo	–	1,082	–	42	1,124
Yu Tong	–	1,082	–	23	1,105
	–	4,998	–	164	5,162
Supervisors:					
Hu Qingwen *(v)*	–	388	–	43	431
Liao Shengsen *(v)*	–	388	–	25	413
Guan Yongmin *(v)*	–	388	–	35	423
Wu Donghua *(v)*	–	388	–	27	415
Zeng Min	–	777	–	26	803
Zhang Jianhua	–	777	–	25	802
Zhang Kui	–	777	–	27	804
	–	3,883	–	208	4,091

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors (Continued)

		Other emoluments			
2019	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
Executive directors:					
Long Ziping *(Chairmen and the chief executive)*	–	890	–	45	935
Dong Jiahui *(iii)*	–	890	–	24	914
Gao Jianmin	–	200	–	–	200
Liang Qing	–	200	–	–	200
Wang Bo	–	890	–	36	926
Wu Jinxing	–	–	–	33	33
Wu Yuneng	–	–	–	10	10
Yu Tong *(i)*	–	890	–	20	910
Zheng Gaoqing *(ii)*	–	742	–	17	759
	–	4,702	–	185	4,887
Supervisors:					
Hu Qingwen *(v)*	–	639	–	37	676
Liao Shengsen *(v)*	–	639	–	23	662
Zeng Min	–	639	–	25	664
Zhang Jianhua	–	639	–	23	662
Zhang Kui	–	639	–	25	664
	–	3,195	–	133	3,328

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive director, chief executive and supervisors (Continued)

Notes:

i. On 15 January 2019, Mr. Yu Tong was appointed as an executive director of the Company.

ii. On 22 March 2019, Mr. Zheng Gaoqing was appointed as an executive director of the Company.

iii. On 27 April 2020, Mr. Dong Jiahui resigned from his position as an executive director of the Company.

iv. On 10 June 2020, Mr. Liu Fangyun was appointed as an executive director of the Company.

v. On 10 June 2020, Mr. Hu Qingwen and Mr. Liao Shengsen resigned from their positions as two supervisors of the Company and Mr. Wu Donghua and Mr. Guan Yongmin were appointed as two supervisors of the Company.

vi. On 9 September 2020, Mr. Long Ziping resigned from his position as the Chairman and the chief executive director of the Company and Mr. Zheng Gaoqing was appointed as the Chairman and the chief executive director of the Company.

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees of the Group and/or in their capacity as directors of the companies now comprising the Group during the year. There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included nil directors (2019: highest paid employees during the year included nil directors), details of whose remuneration are set out in note 12(b) above. Details of the remuneration for the year of the five (2019: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2020 ***RMB'000***	2019 *RMB'000*
Salaries, allowances and benefits in kind	**11,303**	10,737
Pension scheme contributions	**233**	237
	11,536	10,974

The number of non-director and non-chief executive highest paid employee whose remuneration fell within the following bands is as follows:

	2020 **Number of Individuals**	2019 Number of Individuals
HK$1,000,001 to HK$1,500,000	**1**	3
HK$1,500,001 to HK$2,000,000	**2**	–
HK$2,000,001 to HK$2,500,000	**1**	–
HK$4,000,001 to HK$4,500,000	**–**	1
HK$4,500,001 to HK$5,000,000	**–**	1
HK$6,000,001 to HK$6,500,000	**1**	–
	5	5

14. INCOME TAX

The major components of income tax expenses of the Group during the year are as follows:

	2020	2019
	RMB'000	*RMB'000*
Current income tax	**902,020**	849,063
Deferred income tax *(note 27)*	**(9,426)**	133,362
Income tax charge for the year	**892,594**	982,425

Hong Kong profits tax on seven (2019: six) of the Group's subsidiaries has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The subsidiaries incorporated in Singapore, the United States, Peru, Turkey, Zambia and Mexico are subject to corporate income tax at a rate of 17% (2019: 17%), 28% (2019: 28%), 29.5% (2019: 29.5%), 20% (2019: 20%), 35% (2019: 35%), and 30% (2019: not applicable), respectively.

The provision for PRC income tax is based on a statutory rate of 25% (2019: 25%) of the assessable profits of the PRC companies as determined in accordance with the relevant income tax rules and regulations of the PRC Corporate Income Tax Law except for those recognised as New and High Technology Enterprise entitled to a preferential PRC income tax rate of 15%, according to the PRC Corporate Income Tax Law.

14. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Profit before tax	**3,252,071**	**100**	3,134,793	100.00
Tax at the effective statutory tax rate (15%)*	**487,811**	**15.00**	470,219	15.00
Effect of different tax rates for subsidiaries	**(88,098)**	**(2.71)**	(109,209)	(3.48)
Tax loss and temporary differences not recognised	**549,989**	**16.91**	686,636	21.90
Expenses not deductible for tax	**33,977**	**1.04**	21,777	0.69
Income not subject to tax	**(15,622)**	**(0.48)**	(12,064)	(0.38)
Profits and losses attributable to joint ventures and associates	**(9,758)**	**(0.30)**	8,077	0.26
Adjustments in respect of current tax of previous periods	**7,544**	**0.23**	12,080	0.39
Utilisation of unrecognised tax losses and temporary differences	**(13,269)**	**(0.41)**	(46,286)	(1.48)
Tax incentive in relation to deduction of certain expense	**(59,980)**	**(1.84)**	(48,805)	(1.56)
Income tax expense at the Group's effective rate	**892,594**	**27.45**	982,425	31.34

* Pursuant to the "Notice of Recognition of the 2020 First Batch of New and High Technology Enterprises in Jiangxi Provinces" (Gan Gao Qi Ren Fa [2020] No. 195) dated 7 December 2020, jointly issued by the Science and Technology Department of Jiangxi Province, Finance Department of Jiangxi Province, State Tax Bureau of Jiangxi Province and Provincial Tax Bureau of Jiangxi Province, the Company has passed the examination for new and high technology enterprises, and the certificate number is GR202036000206. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the applicable income tax rate of the Company from 1 January 2020 to 31 December 2022 is 15%.

15. DIVIDENDS

	2020	2019
	RMB'000	*RMB'000*
Proposed final of RMB0.10 per share (2019: RMB0.10 per share)	**346,273**	346,273

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

16. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,462,729,405 (2019: 3,462,729,405) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

The calculations of basic and diluted earnings per share are based on:

	2020	2019
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**2,227,704**	2,437,988
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**3,462,729,405**	3,462,729,405

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings and mining infrastructure	Machinery	Motor vehicles	Office equipment	Construction in process	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
As at 1 January 2019	15,240,916	18,661,707	1,476,178	259,101	3,619,090	39,256,992
Additions	239,568	55,452	40,752	9,523	2,460,071	2,805,366
Effect of business combination not under common control	2,509,541	1,785,709	38,162	169,529	274,729	4,777,670
Transfers	641,773	637,311	45,913	40,955	(1,365,952)	–
Transfer to intangible assets	–	–	–	–	(2,787)	(2,787)
Transfer to right-of-use assets	–	–	–	–	(15,226)	(15,226)
Transfer to assets classified as held for sale	(6,352)	–	–	–	–	(6,352)
Disposals	(49,617)	(700,123)	(53,231)	(17,068)	–	(820,039)
As at 31 December 2019	18,575,829	20,440,056	1,547,774	462,040	4,969,925	45,995,624
Additions	49,844	99,833	28,260	23,157	2,750,575	2,951,669
Effect of business combination not under common control	26,005	–	–	27	41,109	67,141
Transfers	2,102,937	554,217	51,431	56,161	(2,764,746)	–
Transfer from right-of-use assets	–	166,174	–	–	–	166,174
Transfer to intangible assets	–	–	–	–	(38,725)	(38,725)
Transfer to right-of-use assets	–	–	–	–	(1,545,975)	(1,545,975)
Transfer to investment properties	(17,762)	–	–	–	–	(17,762)
Disposals	(193,053)	(601,320)	(62,901)	(15,930)	–	(873,204)
As at 31 December 2020	20,543,800	20,658,960	1,564,564	525,455	3,412,163	46,704,942
Accumulated depreciation						
As at 1 January 2019	(6,142,580)	(10,069,910)	(1,327,411)	(139,738)	–	(17,679,639)
Transfer to assets classified as held for sale	2,594	–	–	–	–	2,594
Charge for the year	(684,876)	(1,171,404)	(83,258)	(29,440)	–	(1,968,978)
Disposals	29,894	544,862	48,836	15,342	–	638,934
As at 31 December 2019	(6,794,968)	(10,696,452)	(1,361,833)	(153,836)	–	(19,007,089)
Transfer from right-of-use assets	–	(17,142)	–	–	–	(17,142)
Transfer to investment properties	9,805	–	–	–	–	9,805
Charge for the year	(990,519)	(1,080,587)	(105,766)	(42,580)	–	(2,219,452)
Disposals	82,991	460,642	52,794	7,108	–	603,535
As at 31 December 2020	(7,692,691)	(11,333,539)	(1,414,805)	(189,308)	–	(20,630,343)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and mining infrastructure RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in process RMB'000	Total RMB'000
Provision for impairment						
As at 1 January 2019	(13,690)	(2,065)	(593)	(23)	–	(16,371)
Provision for the year	(105,449)	–	–	–	–	(105,449)
Write-off for the year	876	–	–	–	–	876
As at 31 December 2019	(118,263)	(2,065)	(593)	(23)	–	(120,944)
Provision for the year	(297,077)	(93,987)	(1,992)	(556)	–	(393,612)
Write-off for the year	–	139	–	–	–	139
As at 31 December 2020	(415,340)	(95,913)	(2,585)	(579)	–	(514,417)
Net carrying amount						
As at 31 December 2020	12,435,769	9,229,508	147,174	335,568	3,412,163	25,560,182
As at 31 December 2019	11,662,598	9,741,539	185,348	308,181	4,969,925	26,867,591

As at 31 December 2020, certain of the Group's machinery and buildings with a net book value of approximately RMB290,113,000 (2019: RMB333,376,000) and RMB221,582,000 (2019: RMB230,402,000), respectively, were pledged to secure short-term bank borrowings (note 39).

As at 31 December 2020, certain of the Group's machinery and buildings with a net book value of approximately RMB99,595,000 (2019: Nil) and RMB102,820,000 (2019: RMB8,224,000) were pledged to secure long-term bank borrowings (note 39).

As at 31 December 2020, the Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with a net book value of RMB437,013,000 (2019: RMB1,310,889,000).

As at 31 December 2020, certain of the Group's buildings with a net book value of approximately RMB112,320,000 (2019: RMB114,942,000) were restricted due to litigation (note 49).

18. INVESTMENT PROPERTIES

	Commercial properties *RMB'000*
Cost	
As at 1 January 2019	531,419
Addition	24,083
As at 31 December 2019	555,502
Addition	14,062
Transfer from property, plant and equipment	17,762
Disposal	(13,208)
As at 31 December 2020	574,118
Accumulated depreciation	
As at 1 January 2019	(69,220)
Charge for the year	(12,713)
As at 31 December 2019	(81,933)
Charge for the year	(12,339)
Transfer from property, plant and equipment	(9,805)
Disposal	466
As at 31 December 2020	(103,611)
Net carrying amount	
As at 31 December 2020	470,507
As at 31 December 2019	473,569

As at 31 December 2020, certain of the Group's investment properties with a net book value of approximately RMB159,501,000 (2019: RMB163,224,000) were restricted due to litigation (note 49).

The Group's properties leased to others under operating leases are measured using cost model and are classified and accounted for as investment properties. Depreciation is provided to write off the cost of investment properties using the straight-line method over the remaining terms of the useful lives.

The directors of the Company anticipate that the fair values of the Group's investment properties are close to the carrying amounts measured at cost.

19. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, machinery and vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 25 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 10 years, while machinery and vehicles generally have lease terms between 5 and 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Right-of-use assets			
	Leasehold land	**Buildings**	**Machinery and vehicles**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2020	2,394,789	21,478	166,174	2,582,441
Addition	37,419	524,578	486	562,483
Transfer from construction in progress	1,545,975	–	–	1,545,975
Transfer to property, plant and equipment	–	–	(149,032)	(149,032)
Depreciation charge	(247,740)	(8,617)	(17,385)	(273,742)
As at 31 December 2020	3,730,443	537,439	243	4,268,125

As at 31 December 2020, certain of leasehold land of the Group with a net book value of RMB103,299,000 (2019: RMB105,791,000) were pledged to secure short-term bank borrowings as set out in note 39.

As at 31 December 2020, certain of leasehold land of the Group with a net book value of RMB33,837,000 (2019: Nil) were pledged to secure long-term bank borrowings as set out in note 39.

At 31 December 2020, the Group was in the process of obtaining the certificates of the land use rights for certain of the Group's leasehold land with a net book value of approximately RMB1,361,194,000 (2019: RMB35,783,000).

19. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2020 Lease liabilities *RMB'000*	2019 Lease liabilities *RMB'000*
Carrying amount at 1 January	**336,549**	295,073
New leases	**517,335**	193,891
Effect of business combination not under common control	**–**	4,100
Accretion of interest recognised during the year	**6,644**	16,592
Payment	**(323,793)**	(173,107)
Carrying amount at 31 December	**536,735**	336,549
Analysed into:		
Current portion	**167,175**	165,432
Non-current portion	**369,560**	171,117

The maturity analysis of lease liabilities is disclosed in note 54 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2020 *RMB'000*	2019 *RMB'000*
Interest on lease liabilities	**6,644**	16,592
Depreciation charge of right-of-use assets	**273,742**	204,441
Total amount recognised in profit or loss	**280,386**	221,033

(d) The total cash outflow for leases is disclosed in note 47(c) to the financial statements. As at 31 December 2020, the Group had no lease contract that has not yet commenced.

20. GOODWILL

	2020	2019
	RMB'000	*RMB'000*
Carrying amount at 1 January	**1,266,036**	–
Acquisition of Shangdong Humon	**–**	1,266,036
Impairment during the year	**–**	–
Carrying amount at 31 December	**1,266,036**	1,266,036

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing to the balance of goodwill as at 31 December 2020.

Gold related products cash-generating unit

The recoverable amount of the gold related products CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The growth rate used to extrapolate the cash flows of the gold related products CGU beyond the five-year period is 3% (31 December 2019: 3%). This growth rate does not exceed the long-term average growth rate of the gold related products and is in accordance with forecasted data of the industry. The determination of the recoverable amount of the gold related products CGU involves estimates and judgments, including the future price of gold and related products, production costs, operating expenses, the growth rate used to estimate future cash flows and discount rate applied to these forecasted future cash flows of the underlying CGU.

The pre-tax discount rate applied to the cash flow projections is 9.73% (31 December 2019: 9.56%). These estimates and judgements may be affected by unexpected changes in future market or economic conditions or discount rates applied.

The values assigned to the key assumptions on market development of the industried products industry, discount rates and raw materials price inflation are consistent with external information sources.

The directors of the Company are of the view that, based on their assessment, there was no impairment of goodwill as at 31 December 2020.

21. OTHER INTANGIBLE ASSETS

	Mining rights RMB'000	Trademarks RMB'000	Others RMB'000	Others RMB'000	Total RMB'000
Cost					
As at 1 January 2019	1,402,891	52,627	–	111,586	1,567,104
Additions	–	–	–	5,881	5,881
Effect of business combination not under common control	847,877	151,150	–	2,997	1,002,024
Transfer from construction in progress	–	–	–	2,787	2,787
Disposals	–	–	–	(2,522)	(2,522)
As at 31 December 2019	2,250,768	203,777	–	120,729	2,575,274
Additions	1,952,346	2,380	–	8,575	1,963,301
Effect of business combination not under common control	–	–	193,524	–	193,524
Transfer from construction in progress	–	–	–	38,725	38,725
Transfer from exploration and evaluation assets	469,210	–	–	–	469,210
Disposals	–	–	–	(145)	(145)
As at 31 December 2020	4,672,324	206,157	193,524	167,884	5,239,889
Amortisation					
As at 1 January 2019	(371,825)	(39,136)	–	(67,298)	(478,259)
Provision for the year	(105,142)	(9,600)	–	(9,921)	(124,663)
Disposals	–	–	–	2,307	2,307
As at 31 December 2019	(476,967)	(48,736)	–	(74,912)	(600,615)
Provision for the year	(158,296)	(2,951)	(20,376)	(8,634)	(190,257)
Disposals	–	–	–	123	123
As at 31 December 2020	(635,263)	(51,687)	(20,376)	(83,423)	(790,749)
Provision for impairment					
As at 31 December 2019	–	–	–	–	–
Provision for the year	(86,274)	–	–	–	(86,274)
As at 31 December 2020	(86,274)	–	–	–	(86,274)
Net carrying amount					
As at 31 December 2020	3,950,787	154,470	173,148	84,461	4,362,866
As at 31 December 2019	1,773,801	155,041	–	45,817	1,974,659

22. EXPLORATION AND EVALUATION ASSETS

	2020	2019
	RMB'000	*RMB'000*
Carrying amount at 1 January	**959,260**	886,847
Additions	**163,750**	84,427
Transfer to mining rights *(note 21)*	**(469,210)**	–
Impairment	**(17,689)**	(12,014)
Carrying amount at 31 December	**636,111**	959,260

23. INVESTMENTS IN JOINT VENTURES

	2020	2019
	RMB'000	*RMB'000*
Share of net assets	**690,840**	728,136
Impairment	**(34,917)**	(34,917)
	655,923	693,219

The Group's trade receivable and payable balances with the joint ventures are disclosed in note 51 to the financial statements.

23. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Particulars of the joint ventures are set out as follows:

Name of jointly-controlled entity	Particulars of share capital held	Place of establishment and operations	Percentage of Ownership interest	Percentage of Profit sharing	Principal activities
江西省江銅百泰環保科技有限公司 Jiangxi JCC-BIOTEQ Environmental Technologies Co., Ltd. ("Jiang Tong Bioteq")	Registered capital of RMB1 each	Mainland China	50%	50%	Recovery of industrial waste water and sale of products
Nesko Metal Sanayive Ticaret Anonim Şirketi	Registered capital of YTL1 each	Istanbul	48%	48%	Investment holding of a 99.95% equity interest in a mining company in Albania
嘉石普通合夥人有限公司 Valuestone GP Ltd.	Registered capital of USD1 each	Cayman Islands	51%	51%	Investment in natural resources
佳鑫國際資源投資有限公司 Jiaxin International Resources Investment Limited ("Jiaxin")	Registered capital of HKD1 each	Hong Kong China	49%	49%	Investment in natural resources

The following table illustrates the aggregate financial statements of the Group's joint ventures that are not individually material:

	2020 *RMB'000*	2019 *RMB'000*
Share of the joint ventures' loss for the year	**(17,600)**	(48,336)
Share of the joint ventures' other comprehensive expenses for the year	**(14,151)**	(13,392)
Share of the joint ventures' total comprehensive expenses for the year	**(31,751)**	(61,728)
Carrying amount of the Group's investments in the joint ventures	**655,923**	693,219

24. INVESTMENTS IN ASSOCIATES

	2020 RMB'000	2019 RMB'000
Share of net assets	**3,952,216**	3,799,882

The Group's trade receivable and payable balances with the associates are disclosed in note 51 to the financial statements.

Particulars of the associates are as follows:

Name of associate	Particulars of share capital held	Place of incorporation/ establishment and operations	Percentage of ownership interest attributable to the Group	Principal activities
五礦江銅礦業投資有限公司 Minmetals Jiangxi Copper Mining Investment Company Limited ("Minmetals Jiangxi Copper")	Registered capital of RMB1 each	Mainland China	40%	Investment holding of a mining company in Peru
中冶江銅艾娜克礦業有限公司 MCC-JCL Aynak Minerals Company Limited ("MCC-JCL")	Registered capital of USD1 each	Afghanistan	25%	Exploration and sale of copper products
昭覺逢燁濕法冶煉有限公司 Zhaojue Fengye Smelting Company Limited ("Fengye")	Registered capital of RMB1 each	Mainland China	47.86%	Production and sale of copper cathodes and related products; technology development and provision of services
中銀國際證券股份有限公司 BOC International (China) Co., Ltd. ("BOCI") *(a)*	Registered capital of RMB1 each	Mainland China	6.31%	Securities broker and investment advisory
江西金盃江銅電纜有限公司 Jiangxi Copper Jinbei Cable Company Limited ("Jinbei")	Registered capital of RMB1 each	Mainland China	20%	Manufacture and sale of wire cables
嘉石環球資源基金一期 Valuestone Global Resources Fund I LP ("Fund") *(a)*	Paid-in contribution of USD1 each	Cayman Islands	90.41%	Investments in natural resources
江西銅瑞項目管理有限公司 Jiangxi Tongrui Project Management Company Limited ("Tongrui")	Registered capital of RMB1 each	Mainland China	49%	Project management services

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

Name of associate	Particulars of share capital held	Place of incorporation/ establishment and operations	Percentage of ownership interest attributable to the Group	Principal activities
江西江銅石化有限公司 Jiangxi JCC Petrochemical Company Limited ("Shihua")	Registered capital of RMB1 each	Mainland China	49%	Production and sale petrochemical products
寧波賽墨科技有限公司 Ningbo Saimo Technology Company Limited ("Saimo")	Registered capital of RMB1 each	Mainland China	38%	Technology services
盤古投資管理有限公司 Pangaea Investment Management Limited ("Pangaea")	Registered contribution of USD1 each	Cayman Islands	45%	Investments in natural resources, investment management and consultancy
江西萬銅環保材料有限公司 Jiangxi Wantong Environmental Protection Materials Company Limited (" Wantong")	Registered capital of RMB1 each	Mainland China	40%	Comprehensive development and utilization of environmental protection materials
江西東辰機械製造有限公司 Jiangxi Dongchen Machine Manufacturing Company Limited"	Registered capital of RMB1 each	Mainland China	21%	Manufacturing and sale of electromechanical products

(a) The Group is able to exercise significant influence over these companies with the power to participate in the financial and operating policy decisions, but is not control or joint control over those companies. Accordingly, these companies are regarded as associates of the Group.

Minmetals Jiangxi Copper, MCC-JCL and BOCI, which are considered material associates of the Group, are strategic partners of the Group engaged in copper mining and are accounted for using the equity method.

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial statements in respect of Minmetals Jiangxi Copper, MCC-JCL and BOCI adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

Minmetals Jiangxi Copper

	2020	2019
	RMB'000	*RMB'000*
Current assets	**115,701**	117,399
Non-current assets	**4,386,665**	4,732,594
Current liabilities	**(271,170)**	(291,264)
Non-current liabilities	**(266,002)**	(507,141)
Net assets	**3,965,194**	4,051,588
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**40%**	40%
Carrying amount of the investment	**1,586,078**	1,620,635
Share of profit/(loss) for the year	**5,433**	(12,799)
Share of other comprehensive (expenses)/income	**(160,990)**	18,263
Share of total comprehensive (expenses)/income for the year	**(155,557)**	5,464

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

MCC-JCL

	2020 *RMB'000*	2019 *RMB'000*
Current assets	**181,715**	192,673
Non-current assets	**2,492,308**	2,615,326
Current liabilities	**(17,378)**	(17,560)
Net assets	**2,656,645**	2,790,439
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**25%**	25%
Carrying amount of the investment	**664,161**	697,610
Share of profit for the year	**–**	–
Share of other comprehensive expenses	**(39,421)**	11,271
Share of total comprehensive expenses for the year	**(39,421)**	11,271

24. INVESTMENTS IN ASSOCIATES (CONTINUED)

BOCI

	2020 *RMB'000*	2019 *RMB'000*
Current assets	**51,564,998**	46,592,849
Non-current assets	**2,436,737**	1,718,941
Current liabilities	**(22,760,165)**	(24,384,404)
Non-current liabilities	**(16,268,868)**	(11,189,521)
Net assets	**14,972,702**	12,737,865
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**5.68%**	6.31%
Goodwill on acquisition	**162,586**	162,586
Carrying amount of the investment	**1,013,035**	967,821
Share of profit for the year	**50,469**	49,056
Share of other comprehensive (expenses)/income	**(518)**	936
Share of total comprehensive income for the year	**49,951**	49,992

The following table illustrates the aggregate financial statements of the Group's associates that are not individually material.

	2020 *RMB'000*	2019 *RMB'000*
Share of the associates' profit/(loss) for the year	**61,107**	(9,093)
Share of the associates' other comprehensive (expenses)/income for the year	**(26,858)**	107,300
Share of the associates' total comprehensive income for the year	**34,249**	98,207
Carrying amount of the Group's investments in the associates	**688,942**	513,816

25. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

	2020 Under IFRS 9 Categories	2020 Under IFRS 9 Carrying amount RMB'000	2019 Under IFRS 9 Categories	2019 Under IFRS 9 Carrying amount RMB'000
Debt instruments (including hybrid contracts):				
Listed debentures *(a)*	**FVPL[1]**	**–**	FVPL	115,697
Investments in financial products *(b)*	**FVPL**	**4,350,462**	FVPL	10,451,652
		4,350,462		10,567,349
Equity instruments:				
Listed equity investments *(c)*	**FVPL**	**552,978**	FVPL	621,559
Listed equity investments *(c)*	**FVOCI[2]**	**14,828,286**	FVOCI	8,738,036
Unlisted equity investments *(d)*	**FVPL**	**678,834**	FVPL	798,559
Unlisted equity investments *(d)*	**FVOCI**	**36,119**	FVOCI	36,119
Income right attached to a target equity interest *(e)*	**FVPL**	**524,398**	FVPL	546,896
		20,971,077		21,308,518
FVPL		**6,106,672**		12,534,363
FVOCI		**14,864,405**		8,774,155
		20,971,077		21,308,518
Non-current assets		**16,517,143**		10,646,329
Current assets		**4,453,934**		10,662,189
		20,971,077		21,308,518

25. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

	2020 Under IFRS 9		2019 Under IFRS 9	
	Categories	**Carrying amount** *RMB'000*	Categories	Carrying amount *RMB'000*
Liabilities:				
Held-for-trading financial liabilities *(f)*	**FVPL**	**–**	FVPL	(588,279)
FVPL		**–**		(588,279)
Current liabilities		**–**		(588,279)

[1] FVPL: Financial assets at fair value through profit or loss

[2] FVOCI: Financial assets at fair value through other comprehensive income

(a) The listed debentures were at variable interest rates ranging from 0.5% to 6% per annum as at year ended 31 December 2019 per annum.

(b) The amount represents investments in financial products arranged by banks, trusts and fund institutions and independent securities companies with high credit-rating and good reputation.

	2020 *RMB'000*	2019 *RMB'000*
Including:		
Bank financial products	**3,369,705**	9,127,315
Asset management products	**179,390**	643,015
Fund products	**357,344**	509,962
Trust products	**444,023**	171,360
	4,350,462	10,451,652

As at 31 December 2020, the bank financial products of RMB206,274,000 (31 December 2019: RMB143,534,000) were pledged to secure short-term bank borrowings (note 39).

As at 31 December 2020, the bank financial products of RMB2,913,434,000 (31 December 2019: RMB4,972,138,000) were pledged to issue bank accepted notes and letter of guarantee.

25. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES (CONTINUED)

(c) The listed equity securities represent stocks listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange ("PRC"), Hong Kong Stock Exchange ("HKEx") and Toronto Stock Exchange ("TSX").

(d) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. None of the shareholdings exceeds 20% of the issued capital of the respective investee and the Group did not have significant influence on these invested entities.

(e) The investment represents a beneficial right attached to the 2.65% equity interest in a limited liability company established in the PRC held by China Cinda Asset Management Co., Ltd. ("China Cinda") (the "Beneficial Right"), including the right to all the incomes derived from this equity interest.

(f) A subsidiary of the Group, Shangdong Humon, entered into certain gold lease contracts with independent lessors. During the lease period, Shangdong Humon might sell the leased gold to independent third parties. When the lease period expires, Shangdong Humon shall return the gold with the same quantity and quality to the lessors. The obligation to return the gold is recognised as held-for-trading financial liabilities.

As at 31 December 2020, no cash in the banks (31 December 2019: RMB51,700,000) was pledged to secure gold lease contracts.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	2020		2019	
	Assets	**Liabilities**	Assets	Liabilities
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Commodity derivative contracts and forward contracts	**401,120**	**(553,941)**	304,929	(211,583)
Commodity option contracts	**–**	**(369)**	–	–
Provisional price arrangements	**–**	**(426,979)**	–	(117,478)
Foreign currency forward contracts and interest rate swaps	**50,393**	**(50,110)**	18,734	(67,064)
	451,513	**(1,031,399)**	323,663	(396,125)

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	2020	2019
	RMB'000	*RMB'000*
Including:		
Derivatives designated as hedging instruments *(a)*:		
Cash flow hedges		
– Commodity derivative contracts	**–**	(1,393)
Fair value hedges		
– Commodity derivative contracts and forward contracts	**(17,255)**	–
– Provisional price arrangements	**(426,979)**	(117,478)
	(444,234)	(118,871)
Derivatives not designated as hedging instruments *(b)*:		
– Commodity derivative contracts and forward contracts	**(135,566)**	94,739
– Commodity option contracts	**(369)**	–
– Foreign currency forward contracts and interest rate swaps	**283**	(48,330)
	(135,652)	46,409
	(579,886)	(72,462)

The Group uses commodity derivative contracts and provisional price arrangements to hedge its commodity price risk. Commodity derivative contracts utilised by the Group are mainly standardised copper cathode futures contracts on the Shanghai Futures Exchange ("SHFE") and London Metal Exchange ("LME").

During the year ended 31 December 2020, the Group entered into AU (T+D) and AG (T+D) contracts, which are substantially forward commodity contracts, on the Shanghai Gold Exchange ("SGE") to hedge potential price fluctuations of gold and silver.

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Derivatives designated as hedging instruments:

For the purpose of hedge accounting, hedges of the Group are classified as:

– **Cash flow hedge**

Certain commodity derivative contracts were designated by the Group to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper related products. As at 31 December 2020, no commodity derivative contracts were designated as hedging instruments of the cash flow hedge. As at 31 December 2019, the expected delivery period of the forecasted sales for copper related products was from January to March 2020.

– **Fair value hedge**

Certain commodity derivative contracts and provisional price arrangements were designated by the Group to hedge its exposure to variability in fair value changes attributable to price fluctuation risk associated with inventories.

At the inception of above hedging relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge and fair value hedge mentioned above were assessed to be highly effective.

For the year ended 31 December 2019, a loss before tax of RMB1,393,000 for the effectiveness portion under a cash flow hedge was included in the hedging reserve.

For the year ended 31 December 2020, the fair value losses of provisional price arrangements designated as fair value hedges of the Group were RMB326,755,000 (2019: fair value hedges of RMB211,714,000). The net fair value gains of the hedged item, inventories, attributable to the risk hedged amounted to RMB323,151,000 (2019: fair value gains of RMB194,793,000) in aggregate.

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivatives not designated as hedging instruments:

The Group utilises commodity derivative contracts to manage the commodity price risk of forecasted purchases of copper cathodes as well as copper components within copper concentrates, forecasted sales of copper wires and rods, and copper related products. These arrangements are designed to reduce significant fluctuations in the prices of copper concentrates, copper cathodes, copper wires and rods, and copper related products which move in line with the prevailing price of copper cathode.

The Group utilises AU (T+D) and AG (T+D) contracts to manage the commodity price risk of forecasted sales of gold and silver and certain gold lease. These arrangements are designed to reduce significant fluctuations in the prices of gold and silver.

In addition, the Group has entered into various foreign currency forward contracts and interest rate swaps to manage its exposures in exchange rates and interest rates.

However, these commodity derivative contracts, foreign currency forward contracts and interest rate swaps are not qualified for hedging accounting.

27. DEFERRED TAXATION

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets:

	Impairment of assets *RMB'000*	Accrued expenses *RMB'000*	Unrealised profits *RMB'000*	Deductible taxable loss *RMB'000*	Fair value change from forward currency contracts *RMB'000*	Fair value change from commodity derivative contracts *RMB'000*	Deferred revenue *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2019	263,264	127,430	8,357	205,697	1,260	8,407	63,340	43,319	721,074
Effect of business combination not under common control	18,217	–	1,152	98	–	–	10,942	754	31,163
Deferred tax charged to other comprehensive income	–	–	–	–	–	1,134	–	(62)	1,072
Deferred tax credited/(charged) to profit or loss	(90,268)	8,463	(1,201)	(101,221)	6,229	43,226	(6,780)	(6,821)	(148,373)
At 31 December 2019	191,213	135,893	8,308	104,574	7,489	52,767	67,502	37,190	604,936
Deferred tax charged to other comprehensive income	–	–	–	–	–	(465)	–	–	(465)
Deferred tax credited/(charged) to profit or loss	39,347	30,185	(2,020)	(63,407)	9,148	31,303	(8,853)	334	36,037
At 31 December 2020	230,560	166,078	6,288	41,167	16,637	83,605	58,649	37,524	640,508

27. DEFERRED TAXATION (CONTINUED)

Deferred tax liabilities:

	Fair value gain from derivative financial instruments - transactions not qualifying as hedges RMB'000	Forward currency contracts, foreign currency swaps and interest rate swaps RMB'000	Fair value adjustments on property, plant and equipment, prepaid lease payments and exploration and evaluation assets RMB'000	Fair value change from commodity derivative contracts RMB'000	Fair value change from provisional price arrangements RMB'000	Others RMB'000	Total RMB'000
At 1 January 2019	–	(7,253)	(54,898)	(15,186)	–	(76,023)	(153,360)
Effect of business combination not under common control	(3,485)	–	(297,550)	(1,239)	–	(2,590)	(304,864)
Deferred tax credited/(charged) to profit or loss	3,485	7,253	(14,090)	12,178	(16,176)	22,361	15,011
At 31 December 2019	–	–	(366,538)	(4,247)	(16,176)	(56,252)	(443,213)
Effect of business combination not under common control	–	–	(57,246)	–	–	–	(57,246)
Deferred tax credited/(charged) to profit or loss	–	–	26,687	(26,735)	(51,107)	24,544	(26,611)
At 31 December 2020	–	–	(397,097)	(30,982)	(67,283)	(31,708)	(527,070)

27. DEFERRED TAXATION (CONTINUED)

Deferred tax liabilities: (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	Before elimination	**Elimination amount**	**After elimination**
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2020			
Deferred tax assets	640,508	(154,793)	485,715
Deferred tax liabilities	(527,070)	154,793	(372,277)
At 31 December 2019			
Deferred tax assets	604,936	(114,820)	490,116
Deferred tax liabilities	(443,213)	114,820	(328,393)

Deferred tax assets have not been recognised in respect of the following items:

	2020	2019
	RMB'000	*RMB'000*
Tax losses	**3,378,720**	2,682,806
Temporary difference	**9,154,850**	7,691,921
	12,533,570	10,374,727

The tax losses amounting to RMB2,853,000,000 (2019: RMB2,464,000,000) arising in Mainland China will expire in one to five years if not utilized, and the rest of the tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. INVENTORIES

	2020	2019
	RMB'000	*RMB'000*
Raw materials	**11,995,362**	11,451,848
Work in progress	**10,838,803**	8,525,380
Finished goods	**10,227,195**	7,242,880
	33,061,360	27,220,108
Less: Impairment allowance	**373,838**	296,801
	32,687,522	26,923,307

As at 31 December 2020, certain of the Group's inventories with a net book value of approximately RMB148,354,000 (2019: RMB140,009,000) were pledged to secure short term bank borrowings (note 39).

As at 31 December 2020, certain of the Group's inventories with a net book value of approximately RMB518,529,000 (2019: RMB191,241,000) were pledged as deposits for commodity derivative contracts.

As at 31 December 2020, certain of the Group's inventories with a net book value of approximately RMB9,457,000 (2019: RMB9,457,000) were restricted due to litigation (note 49).

As at 31 December 2020, the Group's inventories included hedged items under a hedging instrument of a provisional price arrangement. The fair values of the hedged items amounted to RMB6,159,716,000 (2019: RMB3,078,699,000), which were estimated by reference to quoted bid prices of similar standardised commodity derivative contracts at the end of the reporting period. Their fair value measurements are categorised under Level 1.

29. TRADE AND BILLS RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**10,328,264**	10,629,408
Bills receivable	**2,628,496**	2,608,420
	12,956,760	13,237,828
Less: Impairment allowance	**5,955,359**	5,698,962
	7,001,401	7,538,866

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Trade receivables due from the Group's related parties are repayable on credit terms similar to those offered to the major customers of the Group. Details are given in note 51.

As at 31 December 2020, bills receivable of RMB271,150,000 (31 December 2019: Nil) were pledged to secure short-term bank borrowings (note 39), and bills receivables of RMB373,985,000 (31 December 2019: Nil) were pledged for the issuing bank acceptance notes.

The ageing analysis of trade and bills receivables as at the end of the reporting period, based on the delivery dates of goods and net of loss allowance, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**5,365,351**	5,237,612
1 to 2 years	**67,511**	533,258
2 to 3 years	**273,408**	399,481
Over 3 years	**1,295,131**	1,368,515
	7,001,401	7,538,866

29. TRADE AND BILLS RECEIVABLES (CONTINUED)

The terms of bills receivable are all less than 12 months. As at 31 December 2020, the bills receivable were neither past due nor impaired (31 December 2019: the bills receivable were neither past due nor impaired).

Movements in the loss allowance for impairment of trade receivables are as follows:

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**5,698,962**	5,172,573
Impairment losses, net *(note 9)*	**668,914**	522,912
Effect of business combination not under common control	**–**	3,768
Amounts written off as uncollectible	**(412,517)**	(291)
At end of year	**5,955,359**	5,698,962

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of bills for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The realisable value of collateral has been taken into account when the expected credit losses for trade receivables are assessed individually and collectively.

29. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

	Expected credit loss rate	**Gross carrying amount** *RMB'000*	**Expected credit losses** *RMB'000*	**Net carrying amount** *RMB'000*
Provision on an individual basis	**73.57%**	**7,762,198**	**(5,710,397)**	**2,051,801**
Provision on a collective basis				
Aged less than 1 year	**0.73%**	**2,334,631**	**(17,000)**	**2,317,631**
Aged 1 to 2 years	**17.74%**	**2,632**	**(467)**	**2,165**
Aged 2 to 3 years	**49.70%**	**2,600**	**(1,292)**	**1,308**
Aged over 3 years	**100.00%**	**226,203**	**(226,203)**	**–**
	57.66%	**10,328,264**	**(5,955,359)**	**4,372,905**

As at 31 December 2019

	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit losses *RMB'000*	Net carrying amount *RMB'000*
Provision on an individual basis	66.31%	8,172,432	(5,418,743)	2,753,689
Provision on a collective basis				
Aged less than 1 year	0.11%	2,119,204	(2,233)	2,116,971
Aged 1 to 2 years	8.79%	65,102	(5,722)	59,380
Aged 2 to 3 years	55.26%	907	(501)	406
Aged over 3 years	100.00%	271,763	(271,763)	–
	53.62%	10,629,408	(5,698,962)	4,930,446

30. FACTORING RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Factoring receivables	**1,745,120**	1,911,877
Less: Impairment allowance	**1,028,546**	781,821
	716,574	1,130,056

As of 31 December 2020, factoring receivables were repayable within one year at interest rates ranging from 5.50% to 11.00% per annum (2019: 5.50% to 11.00% per annum).

As of 31 December 2020, RMB1,028,546,000 was recognised as an allowance for expected credit losses on factoring receivables. The movements in the loss allowance for impairment of factoring receivables are as follows:

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**781,821**	173,989
Impairment losses, net	**246,725**	609,189
Amounts written off as uncollectible	**–**	(1,357)
At end of year	**1,028,546**	781,821

Impairment on factoring receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

30. FACTORING RECEIVABLES (CONTINUED)

Reconciliation of allowance for factoring receivables is as follows:

As at 31 December 2020

	12-month ECLs	Lifetime ECLs		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2020	**89**	**2,261**	**779,471**	**781,821**
Transfer	**(89)**	**(1,261)**	**1,350**	**–**
Impairment losses, net	**–**	**(1,000)**	**247,725**	**246,725**
	–	**–**	**1,028,546**	**1,028,546**

As at 31 December 2019

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	37,137	136,852	–	173,989
Transfer	(37,137)	(133,540)	170,677	–
Impairment losses, net	89	(1,051)	610,151	609,189
Amounts written off as uncollectible	–	–	(1,357)	(1,357)
	89	2,261	779,471	781,821

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2020	2019
	RMB'000	*RMB'000*
Prepayments	**2,167,993**	2,194,371
Deposits and other receivables	**4,258,748**	4,097,222
Prepaid value-added tax	**1,120,245**	1,449,682
Inter-bank loans *(a)*	**97,431**	97,431
Treasury bonds *(b)*	**600,000**	–
Deposits for prepaid lease payments	**598,791**	565,940
Dividend receivables	**450**	–
	8,843,658	8,404,646
Less: Impairment allowance on		
– Other receivables	**1,198,487**	956,789
– Inter-bank loans	**97,431**	48,715
– Prepaid value added tax	**10,632**	10,632
	1,306,550	1,016,136
	7,537,108	7,388,510
Less: Non-current portion		
Prepayments	**837,873**	508,675
Deposits and other receivables	**66,464**	41,175
Deposits for prepaid lease payments	**598,791**	565,940
Current portion	**6,033,980**	6,272,720

a) As of 31 December 2020, an interbank loan was provided by a subsidiary of the Group, Finance Company, to other financial institutions, which matured on 31 May 2019 (2019: matured on 31 May 2019), with an annual interest rate of 4.5% (2019: 4.5%). An impairment of RMB97,431,000 was fully provided during the year ended 31 December 2020, which is measured as lifetime expected credit losses (2019: RMB48,715,000).

b) As of 31 December 2020, the treasury bonds would mature within 7 days, with an annual interest rate of 2.1% to 2.7%.

As at 31 December 2020, certain of the Group's deposits and other receivables of RMB973,152,000 (2019: RMB1,665,029,000) were pledged as deposits for commodity derivative contracts.

Prepayments, other receivables and other assets due from related parties included above are disclosed in note 51 to the financial statements.

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Movements in the provision for impairment of other receivables are as follows:

	2020	2019
	RMB'000	RMB'000
At beginning of year	956,789	690,204
Impairment losses, net	242,464	268,243
Effect of business combination not under common control	–	20,958
Amounts written off as uncollectible	(766)	(22,616)
At end of year	1,198,487	956,789

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Reconciliation of allowance for other receivables is as follows:

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	–	–	6,371	950,418	956,789
Impairment losses, net	–	–	25,458	217,006	242,464
Written off	–	–	(766)	–	(766)
	–	–	31,063	1,167,424	1,198,487

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	–	2,295	687,909	690,204
Transfer of financial instruments	–	–	(2,866)	2,866	–
Effect of business combination not under common control	–	–	6,980	13,978	20,958
Impairment losses, net	–	–	(38)	268,281	268,243
Written off	–	–	–	(22,616)	(22,616)
	–	–	6,371	950,418	956,789

31. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Reconciliation of allowance for inter-bank loans is as follows:

As at 31 December 2020

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2 Individual basis**	**Stage 2 Collective basis**	**Stage 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2020	**–**	**–**	**–**	**48,715**	**48,715**
Impairment losses, net	**–**	**–**	**–**	**48,716**	**48,716**
	–	**–**	**–**	**97,431**	**97,431**

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	–	–	–	–
Impairment losses, net	–	–	–	48,715	48,715
	–	–	–	48,715	48,715

32. LOANS TO RELATED PARTIES

	2020	2019
	RMB'000	*RMB'000*
Loans to related parties	**1,786,410**	1,433,409
Less: Impairment allowance	**83,347**	26,102
	1,703,063	1,407,307

32. LOANS TO RELATED PARTIES (CONTINUED)

Loans to related parties are all guaranteed by JCC. The interest rate of the short-term loans was 3.50% to 4.61% per annum (2019: 4.31% per annum) and such loans will be repaid within one year.

The impairment on loans to related parties is measured as 12-month expected credit losses with a balance of RMB83,347,000 as at 31 December 2020 (31 December 2019: RMB26,102,000).

Reconciliation of allowance for loans to related parties is as follows:

As at 31 December 2020

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2 Individual basis**	**Stage 2 Collective basis**	**Stage 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2020	**26,102**	**–**	**–**	**–**	**26,102**
Impairment losses, net	**57,245**	**–**	**–**	**–**	**57,245**
	83,347	**–**	**–**	**–**	**83,347**

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	–	–	–	–
Impairment losses, net	26,102	–	–	–	26,102
	26,102	–	–	–	26,102

The directors estimate that the carrying amounts of the Group's loans approximate to their fair values, as the loans bear interest at variable rates.

33. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2020	2019
	RMB'000	*RMB'000*
Cash and bank balances	**19,405,424**	27,634,777
Time deposits	**8,718,148**	2,115,613
	28,123,572	29,750,390
Less: Restricted bank deposits *(a)*	**13,571,683**	11,020,052
– Current portion	**10,574,092**	11,020,052
– Non-current portion	**2,997,591**	–
Time deposits		
– non-current portion	**100,113**	–
Cash and cash equivalents	**14,451,776**	18,730,338

a) As at 31 December 2020, the restricted bank deposits included the following:

- Deposits amounting to RMB2,610,637,000 (2019: RMB2,231,057,000) and cash in banks amounting to RMB50,028,000 (2019: RMB91,500,000) were pledged to secure bank borrowings;
- Deposits amounting to RMB2,207,837,000 (2019: RMB1,867,410,000) were pledged for issuing letters of credit;
- Deposits amounting to RMB449,135,000 (2019: RMB301,606,000) were pledged for issuing letters of guarantee;
- Deposits amounting to RMB7,127,296,000 (2019: RMB5,595,796,000) were pledged for issuing bank acceptance notes;
- Deposits amounting to RMB166,892,000 (2019: RMB49,851,000) were placed as environmental recovery deposits whose usage is restricted;
- Cash in banks amounting to RMB117,763,000 (2019: RMB82,505,000) was restricted due to litigation (note 49);
- Required mandatory reserve deposits and other restricted deposits amounting to RM738,792,000 (2019: RM665,411,000) were placed by Finance Company, a subsidiary of the Group, in the People's Bank of China ("PBC"), which are not available for use in the Group's daily operations; and
- Interests amounting to RMB103,588,000 (2019: RMB134,916,000) were accrued on deposits with banks.

33. CASH, CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (CONTINUED)

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB19,342,618,000 (2019: RMB17,860,611,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2020, cash and bank balances of RMB3,610,240,000 (2019: RMB5,883,926,000) were placed in banks outside of Mainland of China.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven day and one years depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

34. ASSETS CLASSIFIED AS HELD FOR SALE

On 6 December 2016, Kangtong received local government official's decision to cease production and relocate to another location due to environment protection policies. Immovable building infrastructure amounting to RMB150,488,000 and immovable machinery amounting to RMB39,404,000 were transferred to assets classified as held for sale during the year ended 31 December 2017. In May 2018, the Group ceased the relocation plan and further transferred building infrastructure amounting to RMB11,300,000, machinery amounting to RMB134,754,000, motor vehicles amounting to RMB848,000, office equipment amounting to RMB554,000 and prepaid land lease payment amounting to RMB8,734,000 to assets classified as held for sale. As at 31 December 2019, the Group provided an impairment loss amounting to RMB95,837,000 in view of the residual value of the related assets.

In December 2019, Shandong Humon, a subsidiary of the Group, transferred a prepaid land lease payment amounting to RMB725,000 and buildings amounting to RMB3,758,000 to assets classified as held for sale.

During the year ended 31 December 2020, the Group disposed of assets classified as held for sale with a net carrying amount of RMB4,483,000. As at 31 December 2020, the remaining assets classified as held for sale of Kangtong were machines amounting to RMB32,042,000.

35. TRADE AND BILLS PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**6,283,727**	8,363,609
Bills payable	**3,831,364**	4,176,839
	10,115,091	12,540,448

The trade payables are non-interest-bearing and are normally settled on terms of 60 days.

As at 31 December 2020, the Group had no material balance of accounts payable aged over one year (31 December 2019: Nil).

Trade payables due to related parties included in trade and bills payables are disclosed in note 51.

36. OTHER PAYABLES AND ACCRUALS

	2020	2019
	RMB'000	*RMB'000*
Payroll and welfare	**1,271,863**	1,061,793
Current portion of employee benefit liabilities *(note 43)*	**12,008**	35,702
Other tax payables	**398,706**	284,184
Other payables	**2,530,415**	2,024,409
Payables for construction, equipment and spare parts	**1,076,883**	814,471
Contract liabilities *(a)*	**1,484,500**	2,357,189
Financial guarantee contracts *(b)*	**36,870**	30,964
Other long-term payables due within one year *(note 43)*	**399,498**	272,239
	7,210,743	6,880,951

(a) Details of contract liabilities are as follows:

	31 December 2020	31 December 2019	1 January 2019
	RMB'000	*RMB'000*	*RMB'000*
Short-term advances received from customers			
Sale of goods	**1,484,500**	2,357,189	3,311,246
Total contract liabilities	**1,484,500**	2,357,189	3,311,246

Contract liabilities include short-term advances received to deliver products and render construction and other services.

(b) As at 31 December 2020, the Group has issued financial guarantees to banks in respect of bank facilities granted to non-controlling interests of a subsidiary to the extent of approximately RMB1,344,605,000 (2019: RMB1,403,441,000), and provided a financial guarantee contract liability of RMB34,586,000 (2019: RMB30,964,000) accordingly.

Other payables and accruals are non-interest-bearing and have no significant balance aged more than one year.

Other payables and accruals due to related parties included above are disclosed in note 51 to the financial statements.

37. DEPOSITS FROM HOLDING COMPANY AND FELLOW SUBSIDIARIES

	2020	2019
	RMB'000	*RMB'000*
Deposits from a holding company and fellow subsidiaries	**3,109,693**	1,903,889
Less: current portion	**3,021,693**	1,903,889
Non-current portion	**88,000**	–

As at 31 December 2020, the deposits from a holding company and fellow subsidiaries represented the deposits placed in Finance Company, a subsidiary of the Company. The deposits carry interest at rates ranging from 0.35% to 3.85% per annum (2019: 0.35% to 2.75% per annum) and will be repaid upon demand of the holding company and fellow subsidiaries.

38. DEFERRED REVENUE

	Government grants
	RMB'000
Cost	
As at 1 January 2019	563,099
Additions	58,090
Effect of business combination not under common control	80,321
Recognised in profit or loss	(64,417)
As at 31 December 2019	637,093
Less: Current portion included in current liabilities	59,463
Non-current portion as at 31 December 2019	577,630

38. DEFERRED REVENUE (CONTINUED)

	Government grants *RMB'000*
As at 1 January 2020	637,093
Additions	19,644
Recognised in profit or loss	(74,340)
As at 31 December 2020	582,397
Less: Current portion included in current liabilities	56,954
Non-current portion as at 31 December 2020	525,443

The deferred revenue represents government subsidies granted to the Group in relation to its production facilities. The deferred revenue is released to the statement of profit or loss over the expected useful lives of the facilities by equal annual instalments.

39. INTEREST-BEARING BANK BORROWINGS

	2020 ***RMB'000***	2019 *RMB'000*
Bank borrowings – secured	**19,546,890**	17,957,572
Bank borrowings – unsecured	**28,146,725**	31,997,546
Interest payable	**222,336**	436,364
	47,915,951	50,391,482
Analysed into:		
On demand or within one year	**33,839,234**	45,133,623
More than one year, but not exceeding five years	**14,076,717**	5,257,859
	47,915,951	50,391,482
Current	**33,839,234**	45,133,623
Non-current	**14,076,717**	5,257,859

The bank borrowings carry interest at rates ranging from 1.45% to 5.30% (2019: 2.27% to 6.00%) per annum.

39. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

Certain of the Group's bank loans are secured by the following:

(a) Mortgaged borrowings amounting to RMB16,336,019,000 (2019: RMB15,108,431,000) were secured by:

(i) deposits with a carrying value of RMB2,610,637,000 (2019: RMB2,231,057,000);

(ii) cash in banks with a carrying value of RMB50,028,000 (2019: RMB39,800,000);

(iii) bills receivables with a carrying value of RMB271,150,000 (2019: Nil);

(iv) bank financial products with a carrying value of RMB206,274,000 (2019: RMB143,534,000); and

(v) letters of guarantee with a carrying value of RMB448,850,000 (2019: RMB301,606,000).

(b) Pledged borrowing amounting to RMB384,612,000 (2019: RMB292,561,000) which was secured by:

(i) inventories with a carrying value of RMB148,354,000 (2019: RMB140,009,000);

(ii) buildings with a carrying value of RMB228,055,000 (2019: RMB238,626,000);

(iii) machines with a carrying value of RMB290,113,000 (2019: RMB333,376,000); and

(iv) land lease payments with a carrying value of RMB103,299,000 (2019: RMB105,791,000).

(c) Guaranteed borrowing amounting to RMB2,826,259,000 (2019: RMB2,556,580,000) was guaranteed by the non-controlling interests of the Group's subsidiaries and was secured by:

(i) buildings with a carrying value of RMB96,347,000 (2019: Nil);

(ii) machines with a carrying value of RMB99,595,000 (2019: Nil); and

(iii) land lease payments with a carrying value of RMB33,837,000 (2019: Nil).

The directors estimate that the carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

40. CORPORATE BONDS

	2020	2019
	RMB'000	*RMB'000*
Corporate bonds	**500,000**	599,900
Interest payable	**5,991**	8,372
	505,991	608,272

The amounts are repayable as follows:

On demand or within one year	**5,991**	108,272
More than one year, but not exceeding five years	**500,000**	500,000
	505,991	608,272
Current portion *(a)*	**5,991**	108,272
Non-current portion *(b)*	**500,000**	500,000

(a) Pursuant to the approval of the National Association of Financial Market institutional Investors (No. [2018] PPN108), Shangdong Humon, a subsidiary of the Group, issued 1,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB100,000,000 on 26 April 2018. The bond have a life of two years from the date of issuance and bears interest at a rate of 6.98% per annum with repayment on maturity.

(b) Pursuant to the approval of the China Securities Regulatory Commission (No. [2016] 2745), the Company issued 5,000,000 certificates of bonds at par with a nominal value of RMB100 each, in an aggregate amount of RMB500,000,000 on 20 September 2017. The bonds have a life of five years from the date of issuance and bear interest at a rate of 4.74% per annum which is payable in arrears on 21 September of each year, and with principal repaid on maturity.

The Company has an option to adjust the interest rate and the investors are entitled to request the Company to repurchase the corporate bonds after the end of the third year from the date of the issuance. The corporate bonds are listed on the Shanghai Stock Exchange. The options of the corporate bonds entitled to the Company and the investors are regarded as embedded derivatives closely related to the host contract.

41. PROVISION FOR REHABILITATION

	2020	2019
	RMB'000	*RMB'000*
Balance at 1 January	**252,452**	191,429
Addition	**–**	6,442
Effect of business combination not under common control	**–**	45,924
Unwinding of discount	**11,835**	8,657
Balance at 31 December	**264,287**	252,452

The Group makes provision for rehabilitation costs expected to arise on closure of mines. The provision is based on assessments of the cost per square metre to rehabilitate the underground workings, waste dumps, mine site infrastructure, and vegetation zones. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

42. EMPLOYEE BENEFIT LIABILITIES

	2020	2019
	RMB'000	*RMB'000*
Employee benefit liabilities	**31,662**	54,861
Less: Amount due within one year included in other payables and accruals	**12,008**	35,702
Non-current portion	**19,654**	19,159

The balance represents the bonus payable to senior management and middle-level management under management incentive schemes. The non-current portion of employee benefit liabilities ispayable after 2020 and is indexed to the rate of growth of the Group's net assets.

43. OTHER LONG-TERM PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Mining rights *(a)*	**1,532,558**	–
Financing lease payable *(b)*	**390,011**	653,651
Payable to JCC *(c)*	**6,876**	9,989
Others	**3,013**	184
	1,932,458	663,824
The amounts are repayable as follows:		
On demand or within one year	**399,498**	272,239
More than one year, but not exceeding two years	**392,035**	176,941
More than two years, but not exceeding five years	**693,970**	214,644
More than five years	**446,955**	–
	1,932,458	663,824
Less: Current included in other payables and accruals	**399,498**	272,239
Non-current portion	**1,532,960**	391,585

(a) The balance amount is resulted from the purchase of several mining rights with the instalments starting from 2020 to 2034. The effective interest rate for the year ended 31 December 2020 was 4.9%.

(b) The balance amounting to RMB390,011,000 (2019: RMB653,651,000) is resulted from several sale and leaseback contracts in terms of certain assets held by the Group with a 15-quarter instalment starting from 31 May 2019 to 20 December 2022 (2019: a 12-quarter instalment starting from 25 September 2017 to 20 December 2022).

(c) The amount represents the balance due to JCC as the consideration for the transfer of mining rights from JCC to the Company. The amount is repayable in 30 annual instalments of RMB2,010,000 each and subject to payment of interest at a rate equal to the State lending rate for a one-year fixed term loan up to a maximum of 15% on each annual instalment starting from 1 January 1998. The interest paid during the year amounted to approximately RMB163,000 (2019: RMB140,000). The effective interest rate for the year ended 31 December 2020 was 4.35% (2019: 4.35%).

The directors have estimated that there was no significant difference between the carrying amounts of other long-term payables and their fair values, based on the amounts due after one year discounted with the market average yield.

44. SHARE CAPITAL

	2020	2019
	RMB'000	*RMB'000*
Balance at 31 December 2020 and 2019		
– H shares	**1,387,482**	1,387,482
– A shares	**2,075,247**	2,075,247
	3,462,729	3,462,729

Except for the currency in which dividends are paid and the restrictions as to whether the shareholders should be PRC investors, designated investors or foreign investors, H shares and A shares rank pari passu in all respects with each other.

45. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2020 and 2019 are presented in the consolidated statement of changes in equity on pages 172 to 173 of the financial statements.

46. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2020	2019
Percentage of equity interest held by non-controlling interests:		
Shandong Humon	**55.52%**	70.01%

46. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

	2020 *RMB'000*	2019 *RMB'000*
Profit for the year allocated to non-controlling interests:		
Shandong Humon	**192,569**	**39,642**
Accumulated balances of non-controlling interests at the reporting date		
Shandong Humon	**8,599,710**	**4,159,101**
Non-current assets	**12,148,438**	6,684,548
Current assets	**7,037,043**	10,831,150
Total assets	**19,185,481**	17,515,698
Non-current liabilities	**9,537,194**	792,537
Current liabilities	**1,089,607**	10,931,813
Total liabilities	**10,626,801**	11,724,350
Revenue	**36,053,110**	16,186,937
Profit for the year	**296,528**	120,719
Other comprehensive income/(expenses) for the year	**351,657**	(62,267)
Net cash outflows from operating activities	**194,209**	(1,336,161)

47. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB517,335,000 and RMB517,335,000, respectively, in respect of lease arrangements for plant and equipment (2019: RMB193,891,000 and RMB193,891,000).

(b) Changes in liabilities arising from financing activities

	Corporate bonds	Interest- bearing bank borrowings	Dividend	Lease liabilities	Sale and leaseback	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	506,715	33,416,532	–	–	116,292	34,039,539
Financing cash flows	(23,700)	7,126,416	(754,942)	(173,107)	115,291	6,289,958
Non-cash changes:						
Effect of business combination not under common control	99,900	8,023,007	–	4,100	403,240	8,530,247
Interests on borrowings	25,357	1,500,251	–	16,592	18,828	1,561,028
Addition of principal of lease payment	–	–	–	488,964	–	488,964
Dividend declared	–	–	754,942	–	–	754,942
Foreign exchange translation	–	325,276	–	–	–	325,276
At 31 December 2019	608,272	50,391,482	–	336,549	653,651	51,989,954
Financing cash flows	**(131,281)**	**(3,659,302)**	**(528,560)**	**(323,793)**	**(296,041)**	**(4,938,977)**
Non-cash changes:						
Interests on borrowings	**29,000**	**1,543,513**	**–**	**6,644**	**32,401**	**1,611,558**
Addition of principal of lease payment	**–**	**–**	**–**	**517,335**	**–**	**517,335**
Dividend declared	**–**	**–**	**528,560**	**–**	**–**	**528,560**
Foreign exchange translation	**–**	**(359,742)**	**–**	**–**	**–**	**(359,742)**
At 31 December 2020	**505,991**	**47,915,951**	**–**	**536,735**	**390,011**	**49,348,688**

47. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash flow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within operating activities	**(6,644)**	(25,884)
Within investing activities	**(77,999)**	(981,855)
Within financing activities	**(323,793)**	(173,107)
	(408,436)	(1,180,846)

48. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in notes 17, 28, 29, 33 and 39, respectively, to the financial statements.

49. CONTINGENT LIABILITIES

A subsidiary of the Company, Shenzhen Jiangxi Copper Marketing Company Limited, is currently a defendant in a lawsuit brought by Bangdi Auto Technology Company Limited ("Bangdi Auto") alleging that the subsidiary breached a sales contract to deliver certain goods to another party, Hengbaochang Company (Shanghai) Copper Company Limited ("Hengbaochang") without receiving Bangdi Auto's delivery instructions during 2011 to 2015 (the "Litigation"). Compensation amounting to RMB1,081,872,000 is claimed by Bangdi Auto. As the actual controller of Hengbaochang was suspected of some economic crimes in the transactions involved and has been investigated by the relevant judicial institutions, the facts of the case have become extremely complicated. Therefore, the Directors, based on the advice from the Group's legal counsel, are not yet able to make a reliable estimate of the outcome of the Litigation as well as the resulting loss or gain.

50. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

	2020	2019
	RMB'000	*RMB'000*
Contracted, but not provided for		
Acquisition of property, plant and equipment and exploration and evaluation rights	**681,113**	518,264
Investments in associates *(i, ii)*	**1,557,718**	1,817,462
	2,238,831	2,335,726

i. The Company and China Metallurgical Group Corporation ("CMCC") incorporated MCC-JCL Aynak Minerals Company Limited ("MCC-JCL"), an associate of the Group, in September 2008. Prior to the introduction of other independent investors, the initial shareholdings of the Company and CMCC in MCC-JCL were 25% and 75% respectively. The principal business of MCC-JCL is to explore and exploit minerals in the Central and Western mineralised zones in Aynak Mine in Afghanistan.

The total investment of MCC-JCL shall initially be USD4,390,835,000 and shall be funded by capital injection from shareholders and by project loan financing in the proportions of 30% and 70%, respectively. The capital injection shall be contributed by the Company and CMCC on a pro rata basis. The Company shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing.

ii. Jiangxi Copper (Hong Kong) Investment Company Limited, a wholly-owned subsidiary of the Group, and CCB International Asset Management Limited ("CCB") established Valuestone Global Resources Fund I LP ("Fund I"), in August 2016. Fund I was registered in the Cayman Islands. Prior to the introduction of other independent investors, the initial proportion of voting power held by the Group in Fund I is 40%. The principal business of Fund I is to invest in natural resources.

Fund I shall initially raise USD150,000,000, of which the Group has undertaken to contribute USD100,000,000. The Group shall not be obliged to provide guarantees, indemnities or capital commitments for the project loan financing. As at 31 December 2020, the Group has invested USD89,517,000 (31 December 2019: USD65,301,000).

51. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

(a) Related party transactions with JCC and its affiliates:

	2020	2019
	RMB'000	*RMB'000*
Sales to JCC:		
Sales of auxiliary industrial products	**242**	1,041
Sales to JCC's affiliates:		
Sales of copper rods	**503,888**	509,580
Sales of copper cathodes	**445,192**	503,215
Sales of auxiliary industrial products	**100,322**	72,407
Sales of lead materials	**86,544**	92,013
Sales of zinc concentrates	**38,168**	57,060
Sales of auxiliary materials	**9,736**	9,907
Sales of sulphuric acid	**4,630**	2,870
Sales of blister copper	**3,839**	10,145
	1,192,319	1,257,197
Disposal of assets to JCC's affiliates:		
Sales of an unlisted equity investment	**–**	75,111
Purchases from JCC's affiliates:		
Purchases of auxiliary industrial products	**150,187**	46,376
Purchases of copper concentrates	**11,362**	22,939
Purchases of sulfuric and sulfuric concentrates	**6,677**	10,289
	168,226	79,604

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	2020	2019
	RMB'000	*RMB'000*
Service fees charged to JCC:		
Supply of electricity	**1,718**	5,477
Construction services	**566**	792
Vehicle transportation services	**394**	652
Supply of water	**72**	240
Repair and maintenance services	**12**	18
Other management service	**16,737**	4,357
	19,499	11,536
Service fees charged to JCC's affiliates:		
Construction services	**126,598**	120,940
Supply of electricity	**28,328**	27,833
Vehicle transportation services	**18,810**	24,442
Repair and maintenance services	**8,185**	1,003
Rentals for public facilities and other services	**7,907**	7,821
Supply of water	**106**	120
Other management service	**3,171**	8,584
	193,105	190,743
Service fees charged by JCC:		
Rental fee for public facilities	**3,181**	–
Sanitation and greening service	**2,997**	319
Labour service	**–**	15,367
Welfare and health care services	**–**	1,831
Repair and maintenance services	**–**	180
	6,178	17,697

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	2020 *RMB'000*	2019 *RMB'000*
Service fees charged by JCC's affiliates:		
Repair and maintenance services	**167,287**	177,780
Construction services	**62,475**	33,206
Labour service	**64,003**	29,222
Brokerage agency services for commodity derivative contracts	**5,511**	7,443
Sanitation and greening service	**–**	917
	299,276	248,568
Loans provided to JCC's affiliates	**1,793,650**	1,143,000
Finance leasing provided by JCC's affiliates	**266,249**	496,836
Interest received from JCC's affiliates:		
Interest received for loans provided	**56,503**	56,070

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions with JCC and its affiliates: (Continued)

	2020	2019
	RMB'000	*RMB'000*
Interest paid to JCC's affiliates:		
Interest paid for deposits made	**15,696**	12,333
Interest paid to JCC:		
Interest paid for deposits made	**99,889**	5,164
Loans provided by JCC	**7,900,000**	5,899,500
Interest paid to JCC		
Interest paid for loans provided	**169,405**	46,652

In 2018, the Group entered into rental agreements to rent certain land use rights in Jiangxi Province from JCC at an annual rental fee of RMB157,522,000 with a lease period from 1 January 2018 to 31 December 2020. The total rental fee amounted to RMB157,522,000 for the year ended 31 December 2020 (2019: RMB157,522,000).

In 2018, the Group entered into a rental agreement to rent an office building in Jiangxi Province from JCC at an annual rental fee of RMB396,000 with a lease period from 1 April 2018 to 31 March 2019. In 2020, the Group renewed the above rental agreement at an annual rental fee of RMB594,000 with a lease period from 1 April 2019 to 31 March 2020. The total rental fee amounted to RMB594,000 for the year ended 31 December 2020 (2019: RMB545,000).

The daily credit balance offered by Finance Company, a subsidiary of the Group, to JCC and its affiliates will neither exceed the deposits from JCC and its affiliates nor exceed the total amount of credit facilities regulated by the financial service agreement entered into by the two parties.

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions with Company's jointly controlled entities and associates:

	2020	2019
	RMB'000	*RMB'000*
Sales to a related party:		
Sales of auxiliary industrial products	**802**	6,508
Purchases from a related party:		
Purchases of copper concentrates	**55,114**	56,033
Loans provided to a related party:	**50,352**	5,000
Service fees charged to a related party:		
Supply of electricity	**1,325**	2,822
Purchases of equity investments	**–**	7,856,494

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party transactions with Company's non-controlling interest holders and its subsidiaries:

	2020 *RMB'000*	2019 *RMB'000*
Sales to related parties:		
Sales of auxiliary industrial products	**1,405,207**	256,937
Sales of copper cathodes	**537,535**	2,355,525
	1,942,742	2,612,462
Purchases from related parties:		
Purchases of copper concentrates and blister copper	**4,071,030**	7,365,694
Purchases of copper cathodes	**844,604**	1,341,214
Purchases of auxiliary industrial products	**127,342**	70,978
Purchases of other products	**78,011**	–
	5,120,987	8,777,886
Service fees charged by related parties:		
Commission fee	**–**	14,225
Loans provided to a related party:	**522,000**	–
Interest received for loans provided	**9,736**	–

Transactions with related parties are negotiated and agreed by both parties with reference to market prices.

In 2018, the Group's subsidiary, Fuye Heding entered into a Mutual Guarantees Agreement with Fuye Group (the non-controlling shareholder of Heding Copper). Further details are included in note 36.

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Outstanding balances with related parties:

At the end of the reporting period, the Group had the following balances with related parties:

	2020	2019
	RMB'000	*RMB'000*
Bills receivable:		
JCC's affiliates	**15,583**	228,953
Trade receivables:		
JCC	**143**	2,411
JCC's affiliates	**488,398**	511,633
Non-controlling interest holder and its subsidiary	**–**	213
The jointly-controlled entities	**412**	192
	488,953	514,449
Prepayments:		
JCC's affiliates	**13,040**	4,429
Non-controlling interest holder and its subsidiary	**4,003**	26,010
The jointly-controlled entities	**–**	601
	17,043	31,040
Other receivables:		
JCC	**78**	117
JCC's affiliates	**966,138**	783,617
The jointly-controlled entities	**–**	23,041
Non-controlling interest holder and its subsidiary	**7,893**	165,876
	974,109	972,651

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Outstanding balances with related parties: (Continued)

	2020	2019
	RMB'000	*RMB'000*
Loans to related parties:		
JCC's affiliates	**1,703,063**	1,407,307
Trade and bills payables:		
JCC	**–**	25
JCC's affiliates	**91,089**	50,540
The jointly-controlled entities	**–**	620
Non-controlling interest holder and its subsidiary	**194,307**	978,603
	285,396	1,029,788
Contract liabilities:		
JCC's affiliates	**215**	6,804
Non-controlling interest holder and its subsidiary	**–**	9,071
	215	15,875
Other payables:		
JCC	**479,210**	268,352
JCC's affiliates	**75,036**	33,575
The jointly-controlled entities	**138,664**	186,245
Non-controlling interest holder and its subsidiary	**73,988**	22,196
	766,898	510,368

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Outstanding balances with related parties: (Continued)

	2020	2019
	RMB'000	*RMB'000*
Deposits from customers:		
JCC	**1,593,250**	864,325
JCC's affiliates	**1,516,443**	1,039,564
	3,109,693	1,903,889
Lease liability:		
JCC's affiliates	**515,142**	166,174
Other long-term payables:		
JCC	**7,980**	9,989
JCC's affiliates	**120,810**	250,177
	128,790	260,166
Loans from JCC	**2,932,224**	5,946,152

The above balances arose from the aforementioned transactions, deposits and advances to/from related parties and payments made by the Group and related parties on behalf of each other. These balances were unsecured, interest-free and had no fixed repayment terms except for loans, deposits from customers, and other long-term payables, the terms of which have not changed from those disclosed in last year's annual financial statements.

51. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Compensation of key management personnel of the Group:

	2020	2019
	RMB'000	*RMB'000*
Short-term employee benefits	**12,452**	13,062
Post-employment benefits	**484**	319
Performance related bonus	**50**	50
	12,986	13,431

Further details of directors and executive's remuneration are included in note 12 to the consolidation financial statements.

The related party transactions except for transactions with associates, joint ventures and non-controlling interests and its subsidiaries above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Having due regard to the substance of the relationships, the directors are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed, and the Group has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

The Group itself is part of a larger group of companies under the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangxi Province, which is controlled by the PRC government and the Group operates in an economic environment currently pre-dominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statements, the Group also conducts business with entities directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government in the ordinary course of business, including majority of its bank deposits and the corresponding interest income, certain bank borrowings and the corresponding finance costs, and significant purchases and sales of copper and other related products.

52. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2020

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Designated as such upon initial recognition *RMB'000*	Mandatorily designated as such *RMB'000*	Debt investments *RMB'000*	Equity investments *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Financial instruments other than derivatives	1,756,210	4,350,462	–	14,864,405	–	20,971,077
Derivative financial instruments	–	451,513	–	–	–	451,513
Trade and bills receivables	–	–	2,595,046	–	4,406,355	7,001,401
Factoring receivables	–	–	–	–	716,574	716,574
Loans to related parties	–	–	–	–	1,703,063	1,703,063
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	3,660,261	3,660,261
Time deposits	–	–	–	–	100,113	100,113
Restricted bank deposits	–	–	–	–	13,571,683	13,571,683
Cash and cash equivalents	–	–	–	–	14,451,776	14,451,776
	1,756,210	4,801,975	2,595,046	14,864,405	38,609,825	62,627,461

Financial liabilities

	Financial assets at fair value through profit or loss		
	Held for trading *RMB'000*	Financial liabilities at amortised cost *RMB'000*	Total *RMB'000*
Trade and bills payables	–	10,115,091	10,115,091
Financial liabilities included in other payables and accruals	–	4,043,666	4,043,666
Derivative financial instruments	1,031,399	–	1,031,399
Deposits from holding company and fellow subsidiaries	–	3,109,693	3,109,693
Interest-bearing bank borrowings	–	47,915,951	47,915,951
Corporate bonds	–	505,991	505,991
Lease liabilities	–	536,735	536,735
Other long-term payables	–	1,532,960	1,532,960
	1,031,399	67,760,087	68,791,486

52. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 31 December 2019

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Designated as such upon initial recognition *RMB'000*	Mandatorily designated as such *RMB'000*	Debt investments *RMB'000*	Equity investments *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Financial instruments other than derivatives	1,967,014	10,567,349	–	8,774,155	–	21,308,518
Derivative financial instruments	–	323,663	–	–	–	323,663
Trade and bills receivables	–	–	2,593,969	–	4,930,446	7,524,415
Factoring receivables	–	–	–	–	1,130,056	1,130,056
Loans to related parties	–	–	–	–	1,407,307	1,407,307
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	3,189,148	3,189,148
Restricted bank deposits	–	–	–	–	11,020,052	11,020,052
Cash and cash equivalents	–	–	–	–	18,730,338	18,730,338
	1,967,014	10,891,012	2,593,969	8,774,155	40,407,347	64,633,497

Financial liabilities

	Financial assets at fair value through profit or loss		
	Held for trading *RMB'000*	Financial liabilities at amortised cost *RMB'000*	Total *RMB'000*
Trade and bills payables	–	12,540,448	12,540,448
Financial liabilities included in other payables and accruals	–	3,142,083	3,142,083
Derivative financial instruments	396,125	–	396,125
Held for trading financial liabilities	588,279	–	588,279
Deposits from holding company and fellow subsidiaries	–	1,903,889	1,903,889
Interest-bearing bank borrowings	–	50,391,482	50,391,482
Lease liabilities	–	336,549	336,549
Corporate bonds	–	608,272	608,272
Other long-term payables	–	391,585	391,585
	984,404	69,314,308	70,298,712

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	31 December 2020		31 December 2019	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Financial assets:				
Financial instruments other than derivatives (non-current)	**16,517,143**	**16,517,143**	10,646,329	10,646,329
Financial instruments other than derivatives (current)	**4,453,934**	**4,453,934**	10,662,189	10,662,189
Derivative financial instruments	**451,513**	**451,513**	323,663	323,663
Bills receivable	**2,595,046**	**2,595,046**	2,593,969	2,593,969
Inventories including hedged items	**6,159,716**	**6,159,716**	3,078,699	3,078,699
	30,177,352	**30,177,352**	27,304,849	27,304,849
Financial liabilities:				
Derivative financial instruments	**1,031,399**	**1,031,399**	396,125	396,125
Held for trading financial liabilities	**–**	**–**	588,279	588,279
	1,031,399	**1,031,399**	984,404	984,404

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, loans to related parties, financial liabilities included in other payables and accruals, interest-bearing bank and deposits from a holding company and fellow subsidiaries approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of deposits, interest-bearing bank borrowings, corporate bonds and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings and corporate bonds as at 31 December 2020 were assessed to be insignificant.

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, Management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of listed debentures and listed equity securities are based on quoted market prices.

The fair values of investments in financial products have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair value of a bond investment has been estimated based on its expected cash flows discounted by the quoted annual return rate of a similar bond investment. The fair values have been assessed to be approximate to their carrying amounts.

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with good credit ratings. Derivative financial instruments includes commodity derivative contracts, provisional price arrangements, forward currency contracts, foreign currency swaps and interest rate swaps:

– The fair value of the commodity derivative contracts represents the difference between the quoted market price of commodity derivative contracts at the year end and the quoted price at inception of the contracts;

– The fair value of the provisional price arrangement is estimated by reference to the quoted market price at the year end of commodity derivative contracts with similar maturity as the provisional price arrangement compared to the quoted market prices of commodity derivative contracts on the dates of delivery of the purchased material;

– The fair values of forward currency contracts and interest rate swaps are measured using valuation techniques similar to the discounted cash flow model. The models incorporate various market observable inputs including foreign exchange spot, forward rates, risk-free interest rate curves and implied volatility of the foreign exchange rate. The carrying amounts of forward currency contracts, foreign currency swaps and interest rate swaps are the same as their fair values.

The fair values of unlisted equity investments and the income right attached to a target equity interest have been estimated based on the comparable companies analysis in terms of a series of key ratios.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

31 December 2020:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets:				
Listed equity securities	14,981,820	399,444	–	15,381,264
Investments in financial products	289,609	–	4,060,853	4,350,462
Unlisted equity investments	–	–	714,953	714,953
Income right attached to a target equity interest	–	–	524,398	524,398
Derivative financial instruments:				
– Commodity derivative contracts	401,120	–	–	401,120
– Foreign currency forward contracts and interest rate swaps	–	50,393	–	50,393
Bills receivable	–	2,595,046	–	2,595,046
Inventories designated as hedged items	6,159,716	–	–	6,159,716
	21,832,265	3,044,883	5,300,204	30,177,352
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts	553,941	–	–	553,941
– Commodity option contracts	–	369	–	369
– Provisional price arrangements	–	426,979	–	426,979
– Foreign currency forward contracts and interest rate swaps	–	50,110	–	50,110
	553,941	477,458	–	1,031,399

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

31 December 2019:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets:				
Listed debentures	115,697	–	–	115,697
Listed equity securities	8,832,876	526,719	–	9,359,595
Investments in financial products	300,000	–	10,151,652	10,451,652
Unlisted equity investments	–	–	834,678	834,678
Income right attached to a target equity interest	–	–	546,896	546,896
Derivative financial instruments:				
– Commodity derivative contracts	304,929	–	–	304,929
– Foreign currency forward contracts and interest rate swaps	–	18,734	–	18,734
Bills receivable	–	2,593,969	–	2,593,969
Inventories designated as hedged items	3,078,699	–	–	3,078,699
	12,632,201	3,139,422	11,533,226	27,304,849
Financial liabilities:				
Derivative financial instruments:				
– Commodity derivative contracts	211,583	–	–	211,583
– Provisional price arrangements	–	117,478	–	117,478
– Foreign currency forward contracts and interest rate swaps	–	67,064	–	67,064
Held for trading financial liabilities	–	588,279	–	588,279
	211,583	772,821	–	984,404

53. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2020	2019
	RMB'000	*RMB'000*
At 1 January	**11,533,226**	10,911,112
Purchase	**26,253,422**	26,223,234
Effect of business combination not under common control	**–**	35,625
Total gains recognised in the statement of profit or loss	**1,079,251**	688,294
Total gains recognised in other comprehensive income	**–**	494
Disposals	**(33,565,695)**	(26,325,533)
At 31 December	**5,300,204**	11,533,226

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (2019: Nil).

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise loans and borrowings, cash and cash equivalents, corporate bonds and deposits from customers. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables, and financial liabilities in other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to financial instruments are set out in note 2.4 to the financial statements.

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances and bank borrowings with floating interest rates. Management continuously monitors interest rate fluctuation and will consider further hedging interest rate risk should the need arise.

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. Management considers the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest-bearing bank balances are within a short maturity period.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating interest-bearing bank borrowings at the end of the reporting period assuming the stipulated changes had taken place at the beginning of the reporting period and were held constant throughout the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/(decrease) in basis points	(Decrease)/increase in profit after tax		(Decrease)/increase in equity	
		2020	2019	**2020**	2019
		RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
If interest rate increases	100	**(110,646)**	(61,335)	**(110,646)**	(61,335)
If interest rate decreases	(100)	**110,646**	61,335	**110,646**	61,335

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currencies other than the functional currency of the respective group entities, which are mainly trade and other receivables, restricted bank deposits, bank balances and cash, trade and other payables, bank borrowings and derivative financial instruments, at the end of the reporting period are as follows:

	Fluctuation in foreign exchange Rate	(Decrease)/increase in profit after tax		(Decrease)/increase in equity	
		2020	2019	**2020**	2019
	%	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
If RMB strengthens against USD	5	**(168,380)**	(74,375)	**(399,846)**	(74,375)
If RMB weakens against USD	(5)	**168,380**	74,375	**399,846**	74,375
If RMB strengthens against HKD	5	**40,745**	(25,689)	**42,634**	(47,888)
If RMB weakens against HKD	(5)	**(40,745)**	25,689	**(42,634)**	47,888

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are net carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade and bills receivables*	33,450	–	–	4,372,905	4,406,355
Factoring receivables	–	–	716,574	–	716,574
Financial assets included in prepayments, other receivables and other assets	3,032,412	–	627,849	–	3,660,261
Loans to related parties	1,703,063	–	–	–	1,703,063
Time deposits					
– Not yet past due	100,113	–	–	–	100,113
Restrict bank deposits					
– Not yet past due	13,571,683	–	–	–	13,571,683
Cash and cash equivalents					
– Not yet past due	14,451,776	–	–	–	14,451,776
	32,892,497	–	1,344,423	4,372,905	38,609,825

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	14,451	–	–	4,930,446	4,944,897
Factoring receivables	99,000	32,083	998,973	–	1,130,056
Financial assets included in prepayments, other receivables and other assets	2,392,174	52,118	744,856	–	3,189,148
Loans to related parties	1,407,307	–	–	–	1,407,307
Restricted bank deposits – Not yet past due	11,020,052	–	–	–	11,020,052
Cash and cash equivalents – Not yet past due	18,730,338	–	–	–	18,730,338
	33,663,322	84,201	1,743,829	4,930,446	40,421,798

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the individual basis and collective basis is disclosed in note 29 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 29 to the financial statements.

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's treasury department monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are positive and closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available, obtaining debentures from specific financial institutions and borrowing loans from banks.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 December 2020			
	On demand and less than 12 months	1 to 5 years	More than 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Corporate bonds	**5,991**	**547,400**	**–**	**553,391**
Interest-bearing bank borrowings	**35,021,238**	**15,484,388**	**–**	**50,505,626**
Trade and bills payables	**10,115,091**	**–**	**–**	**10,115,091**
Financial liabilities in other payables and accruals	**4,043,666**	**–**	**–**	**4,043,666**
Deposits from a holding company and fellow subsidiaries	**3,021,693**	**91,388**	**–**	**3,113,081**
Derivative financial instruments	**1,031,399**	**–**	**–**	**1,031,399**
Lease liabilities	**167,175**	**388,038**	**–**	**555,213**
Other long-term payables	**399,498**	**1,762,904**	**–**	**2,162,402**
	53,805,751	**18,274,118**	**–**	**72,079,869**

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

	31 December 2019			
	On demand and less than 12 months *RMB'000*	1 to 5 years *RMB'000*	More than 5 years *RMB'000*	Total *RMB'000*
Corporate bonds	108,272	571,100	–	679,372
Interest-bearing bank borrowings	46,401,073	6,835,217	–	53,236,290
Trade and bills payables	12,540,448	–	–	12,540,448
Financial liabilities in other payables and accruals	3,189,148	–	–	3,189,148
Deposits from a holding company and fellow subsidiaries	1,903,889	–	–	1,903,889
Derivative financial instruments	396,125	–	–	396,125
Held for trading financial liabilities	588,279	–	–	588,279
Lease liabilities	165,432	196,785	–	362,217
Other long-term payables	272,434	450,099	–	722,533
	65,565,100	8,053,201	–	73,618,301

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper cathodes which are the major commodities produced and sold by the Group. To minimise this risk, the Group enters into commodity derivative contracts and provisional price arrangements to manage the Group's exposure in relation to forecasted sales of copper products, forecasted sales of gold products, forecasted purchases of copper concentrate, inventories and firm commitments to sell copper rods and wires and gold lease contracts.

Financial assets and liabilities of the Group whose fair value changes are in line with the fluctuations in the prevailing market price of copper cathodes mainly comprise copper cathode derivative contracts and provisional price arrangements.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in prevailing market price of copper cathodes and gold, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of commodity derivative contracts and the provisional price arrangements) after the impact of hedge accounting.

	(Decrease)/increase in profit before tax	
	2020	2019
	RMB'000	*RMB'000*
If market price increases 5% in copper	**(379,308)**	(116,896)
If market price decreases 5% in copper	**379,308**	116,896
If market price increases 5% in gold	**(180,636)**	(119,073)
If market price decreases 5% in gold	**180,636**	119,073

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 25) and equity investments at fair value through other comprehensive income (note 25) as at 31 December 2020. The Group's listed investments are listed on the Shanghai, Hong Kong and Toronto stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2020	**High/low 2020**	31 December 2019	High/low 2019
Shanghai – A share index	**3,473**	**3,475/2,647**	3,050	3,271/2,464
Hong Kong – Hang Seng index	**27,231**	**29,175/21,139**	28,190	30,157/25,064
Toronto – Composite index	**17,433**	**17,971/11,172**	17,099	17,180/14,213

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments with all other variables held constant and after impact on tax, based on their carrying amounts at the end of the reporting period.

31 December 2020	**Carrying amount of equity investments** *RMB'000*	**Increase/ (decrease) in profit after tax** *RMB'000*	**Increase/ (decrease) in equity** *RMB'000*
Shanghai – FVPL	**19,721**	**740**	**740**
Hong Kong – FVPL	**399,442**	**16,976**	**16,976**
Toronto – FVOCI	**14,828,281**	**–**	**741,414**

31 December 2019	Carrying amount of equity investments *RMB'000*	Increase/ (decrease) in profit after tax *RMB'000*	Increase/ (decrease) in equity *RMB'000*
Shanghai – FVPL	25,330	950	950
Hong Kong – FVPL	526,719	22,386	22,386
Toronto – FVOCI	8,738,036	–	436,902

54. FAIR VALUE RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Total capital of the Group is the total equity in the consolidated financial position. The Group is not subject to any externally imposed capital requirements. The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets.

The Group's debt-to-asset ratio as at the end of the reporting period was as follows:

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000*
Total assets	**140,881,553**	134,913,915
Total liabilities	**74,022,248**	75,881,314
Debt-to-asset ratio	**53%**	56%

55. EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period that may have a material impact on the Group's reported financial position at 31 December 2020.

56. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2020 *RMB'000*	2019 *RMB'000*
Non-current assets		
Property, plant and equipment	**13,188,548**	14,749,243
Investment properties	**171,543**	164,581
Right-of-use assets	**1,208,073**	655,741
Intangible assets	**3,498,337**	832,856
Exploration and evaluation assets	**546,338**	705,190
Investments in subsidiaries	**26,066,830**	23,631,752
Investments in joint ventures	**26,755**	25,181
Investments in associates	**3,242,009**	3,155,669
Financial instruments other than derivatives	**2,209,477**	845,955
Prepayments, other receivables and other assets	**4,919,439**	813,300
Deferred tax assets	**306,488**	202,565
Total non-current assets	**55,383,837**	45,782,033
Current assets		
Inventories	**11,911,503**	9,923,348
Trade and bills receivables	**4,476,783**	6,093,667
Prepayments, other receivables and other assets	**1,447,567**	7,194,435
Derivative financial instruments	**9,798**	15,465
Restricted bank deposits	**113,914**	213,869
Cash and cash equivalents	**10,107,445**	9,369,431
Total current assets	**28,067,010**	32,810,215
Total assets	**83,450,847**	78,592,248

56. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2020	2019
	RMB'000	*RMB'000*
Current liabilities		
Trade and bills payables	**3,024,595**	2,405,298
Other payables and accruals	**5,008,259**	5,091,106
Derivative financial instruments	**313,349**	150,195
Interest-bearing bank borrowings	**5,046,133**	10,040,720
Lease liabilities	**154,134**	138,852
Income tax payable	**600,043**	378,479
Total current liabilities	**14,146,513**	18,204,650
Net current assets	**13,920,497**	14,605,565
Total assets less current liabilities	**69,304,334**	60,387,598
Non-current liabilities		
Interest-bearing bank borrowings	**12,154,575**	4,892,858
Lease liabilities	**334,966**	–
Corporate bonds	**500,000**	500,000
Provision for rehabilitation	**188,978**	180,527
Employee benefit liabilities	**1,654**	3,172
Deferred revenue	**229,163**	264,170
Other long-term payables	**497,385**	8,164
Total non-current liabilities	**13,906,721**	5,848,891
Net assets	**55,397,613**	54,538,707
Equity		
Equity attributable to owners of the parent		
Capital and reserves		
Share capital	**3,462,729**	3,462,729
Reserves	**51,934,884**	51,075,978
Total equity	**55,397,613**	54,538,707

56. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

	Other reserve	Statutory surplus reserve	Discretionary surplus reserve	Safety fund surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2019	12,870,564	5,298,363	9,644,881	265,400	21,227,369	49,306,577
Total comprehensive income for the year	30,315	–	–	–	2,431,632	2,461,947
Dividend declared	–	–	–	–	(692,546)	(692,546)
Transfer between categories	–	246,783	–	36,203	(282,986)	–
At 31 December 2019	12,900,879	5,545,146	9,644,881	301,603	22,683,469	51,075,978
Total comprehensive income for the year	**(200,928)**	**–**	**–**	**–**	**1,406,107**	**1,205,179**
Dividend declared	**–**	**–**	**–**	**–**	**(346,273)**	**(346,273)**
Transfer between categories	**–**	**–**	**–**	**118,359**	**(118,359)**	**–**
At 31 December 2020	**12,699,951**	**5,545,146**	**9,644,881**	**419,962**	**23,624,944**	**51,934,884**

57. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2021.

Financial Summary

	2020	2019	2018	2017	2016
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	**317,756,486**	239,585,489	214,395,309	204,241,187	201,735,193
Cost of sales	**-307,687,117**	-231,172,158	-207,552,232	-195,642,937	-195,167,806
Gross profit	**10,069,369**	8,413,331	6,843,077	8,598,250	6,567,387
Other income, Other gains and losses	**-707,074**	1,202,536	1,658,711	-2,422,198	-926,726
Selling and distribution costs	**-269,427**	-683,412	-569,029	-533,434	-569,017
Administrative expenses	**-2,726,043**	-2,417,503	-1,787,275	-1,851,515	-1,686,835
Impairment losses on financial assets	**-1,264,064**	-1,475,161	-1,369,111	–	–
Finance costs	**-1,950,099**	-1,883,826	-1,409,007	-917,961	-1,253,858
Share of profits and losses of:					
Joint ventures	**-17,600**	-48,336	-30,243	-36,963	-42,259
Associates	**117,009**	27,164	-74,998	70,056	-8,557
PROFIT BEFORE TAX	**3,252,071**	3,134,793	3,262,125	2,906,235	2,080,135
Income tax	**-892,594**	-982,425	-839,539	-1,146,051	-1,089,093
PROFIT FOR THE YEAR	**2,359,477**	2,152,368	2,422,586	1,760,184	991,042
Attributable to:					
Owners of the Company	**2,227,704**	2,437,988	2,415,017	1,651,113	839,033
Non-controlling interests	**131,773**	-285,620	7,569	109,071	152,009
	2,359,477	2,152,368	2,422,586	1,760,184	991,042
Total assets	**140,881,553**	134,913,915	102,865,824	97,469,819	87,482,454
Total liabilities	**-74,022,249**	-75,881,314	-50,839,134	-47,468,135	-38,287,755
Non-controlling interests	**-6,948,911**	-6,286,983	-2,260,379	-2,450,803	-2,343,553
Equity attributable to owners of the parent	**-59,910,393**	-52,745,618	-49,766,311	-47,550,881	-46,851,146

Jiangxi Copper Company Limited